



ACN 009 474 775

**HALF YEAR FINANCIAL REPORT
31 DECEMBER 2017**

Level 4, 502 Hay Street, Subiaco, Western Australia 6008
(PO Box 201, Subiaco, Western Australia 6904)
Telephone: +61 8 9381 4366 Facsimile: +61 8 9381 4978
Email: info@summitresources.com.au
www.summitresources.com.au

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CORPORATE INFORMATION

DIRECTORS

Executive Director

David Princep (resigned 12 January 2018)
Craig Barnes (appointed 12 January 2018)

Non-executive Directors

David W Berrie
Malcolm Randall

COMPANY SECRETARY

Ranko Matic

REGISTERED OFFICE

Level 4, 502 Hay Street
Subiaco Western Australia 6008
(PO Box 201, Subiaco, 6904)

Telephone: (+61 8) 9381 4366

Facsimile: (+61 8) 9381 4978

Email: info@summitresources.com.au

Web: www.summitresources.com.au

SHARE REGISTRAR

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
(GPO Box D182, Perth, 6840)

Telephone: (+61 8) 9323 2000

Facsimile: (+61 8) 9323 2033

Investor Enquiries: 1300 557 010

AUDITORS

PricewaterhouseCoopers
125 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

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

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DIRECTORS' REPORT

OVERVIEW

Work completed by Summit Resources Limited ("Summit" or the "Company") in the period was focussed on planning and executing RC drilling at the Round Hill and Elbow prospects and a high resolution airborne radiometric and magnetic survey at the Sybella prospect.

The total JORC (2004) Mineral Resources under Summit's management in the Mount Isa region includes 104.6Mlb U₃O₈ Measured and Indicated Mineral Resources and 37.5Mlb U₃O₈ Inferred Mineral Resources. Of this, 57.8Mlb U₃O₈ Measured and Indicated Mineral Resources, as well as 26.5Mlb U₃O₈ Inferred Mineral Resources, are attributable to Summit. 53.7% of the Mineral Resources are located at Valhalla; the rest are distributed over the Bikini, Skal, Odin, Andersons, Mirrioola, Watta and Warwai deposits. Individual Mineral Resource figures, conforming to the JORC guidelines, are quoted on 100% of project basis. Details are as follows:

Deposit	Cut-off ppm U ₃ O ₈	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Summit Attribution
		Mt	Grade ppm	t U ₃ O ₈	Mt	Grade ppm	t U ₃ O ₈	Mt	Grade ppm	t U ₃ O 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 table above may not add due to rounding)

There are currently no plans to update the Company's mineral resources in the near future. During the period the Company continued to operate on minimum operational expenditure, at a level intended to maintain the tenements in good standing, as a consequence of the continuing weakness in the uranium spot price.

The information in the table above in relation to the Mount Isa area mineral resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information that the estimates are derived from has not materially changed since it was last reported.

The Company's base metal projects are currently being explored by Aeon Metals Limited ("Aeon") and its subsidiary Aeon Walford Creek Limited ("Aeon Walford") under joint arrangement and mineral rights agreements.

REVIEW OF OPERATIONS

ISA URANIUM JOINT VENTURE (QLD)

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

Operator: Summit Resources (Aust) Pty Ltd

The Isa Uranium Joint Venture includes the Valhalla, Odin and Skal deposits.

Work completed during the period was limited to exploration planning for programmes to be undertaken during the next twelve months in order to meet statutory commitments. Routine environmental surveys to ensure adequate rehabilitation of historic drill sites was also conducted.

MOUNT ISA NORTH URANIUM PROJECT (100% Summit Resources (Aust) Pty Ltd)

Summit owns 100% of the Mount Isa North Uranium Project which consists of 934km² of granted tenements that are prospective for uranium, copper and base metals. The tenements are adjacent to the city of Mount Isa. The project includes the Bikini, Mirrioola, Watta, Warwai and Andersons uranium deposits as well as numerous other uranium prospects.

During October RC drilling was conducted at the Round Hill and Elbow prospects located approximately 10km north of Valhalla on EPM17514 in order to meet tenement expenditure commitments. 11 holes were drilled for 2,538m. All drill holes were geologically logged, downhole gamma logged and gyro surveyed utilizing Summit's exploration equipment.

DIRECTORS' REPORT

Drilling at Round Hill, 6 holes for 1,194m, tested two areas. A single hole, RR013, was drilled to test the extension to the mineralization identified in drilling conducted in 2012. The drill hole intercepted three thin (~1m) albitite alteration zones that are associated with 30x background gamma probe counts. The remaining five holes were drilled to test a separate trend of anomalous uranium results identified during a trenching program in 2012. Geological logging identified numerous thin ~1m thick albite alteration zones which are coincident with 20-30x background gamma probe counts. These results are not considered significant and no follow-up work is planned at this time.

Drilling at Elbow, 5 holes for 1344m, tested soil geochemical anomalies that are coincident with either high intensity magnetic features or breaks in the high intensity magnetic features which are interpreted as faults. Drilling was disappointing with no target albitite alteration identified nor were anomalous gamma probe counts returned.

Between 23rd and 25th October Aerosystems flew a high resolution airborne radiometric and magnetic survey over the Sybella prospect to the south west of Valhalla. The data acquired from the survey will provide higher definition geophysical data that will be used for geological interpretation and to target follow up work.

BASE METALS EXPLORATION (Aeon Walford- 80%; Summit Resources (Aust) Pty Ltd - 20%)

SUMMARY

Aeon Walford (formerly named Aston Metals (Queensland) Limited) was acquired by Aeon in June 2014.

Isa North - EPM 17511, 17513, 17514, 17519

Aeon continue to conduct desktop reviews of existing data in order to better understand the regional setting and potential prospectivity.

Isa West and Isa South – (all joint venture tenements)

Aeon continued desktop reviews of the Isa West and Isa South tenements during the period in order to determine whether further tenement relinquishments may be warranted. It is expected that the outcomes from this work will be utilised for exploration planning and/or tenement reduction in the near future.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Tenement	Location	Ownership	Change in Period
EPM 11897	Mt Isa	20%	-
EPM 11898	Mt Isa	20%	-
EPM 13412	Mt Isa	20%	-
EPM 13413	Mt Isa	20%	-
EPM 13682	Mt Isa	20%	-
EPM 14040	Mt Isa	20%	-
EPM 14233	Mt Isa	18%	-
EPM 14694	Mt Isa	20%	-
EPM 14712	Mt Isa	20%	-
EPM 14713	Mt Isa	20%	-
EPM 14821	Mt Isa	20%	-
EPM 14935	Mt Isa	20%	-
EPM 15156	Mt Isa	20%	-
EPM 15186	Mt Isa	20%	-
EPM17511	Mt Isa	100%	-
EPM17513	Mt Isa	100%	-
EPM17514	Mt Isa	100%	-
EPM17519	Mt Isa	100%	-
MDL 509	Mt Isa	100%	-
MDL 510	Mt Isa	100%	-
MDL 511	Mt Isa	100%	-
MDL 513	Mt Isa	100%	-

There have been no additional tenement changes in this period.

Declaration

The information above that relates to minerals exploration and mineral resources is based on information compiled by David Princep BSc, P.Geo, 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 Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Princep consents to the inclusion of the information in this announcement in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present their half year report on the Group consisting of Summit Resources Limited and the entities it controlled at the end of, or during, the six months ended 31 December 2017.

DIRECTORS

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

David Princep (Executive Director) (resigned 12 January 2018)

Craig Barnes (Executive Director) (appointed 12 January 2018)

Malcolm Randall (Non-executive Director)

David W Berrie (Non-executive Director)

PRINCIPAL ACTIVITIES

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

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

REVIEW OF OPERATIONS

A detailed operational review of the consolidated entity is set out on pages 4 to 5 under the section titled Report to Shareholders.

The loss after tax attributable to the ordinary equity holders for the six months ended 31 December 2017 was \$127,193 (loss after tax of \$108,909 for the six months ended 31 December 2016).

Included in the consolidated financial statements for the half year ended 31 December 2017 is 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 3 to the financial statements, together with the auditor's report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 7, which forms part of the Directors' Report.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

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.

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



CRAIG BARNES
Executive Director

Perth, Western Australia
8 March 2018



Auditor's Independence Declaration

As lead auditor for the review of Summit Resources Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Summit Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett', is written over a faint, larger version of the same signature.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
8 March 2018

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SUMMIT RESOURCES LIMITED
HALF YEAR FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
for the half year ended 31 December 2017

	Notes	31 December 2017 \$'000	31 December 2016 \$'000
Other income	3	29	29
Expenses			
Directors' fees		(54)	(54)
Employee related expenses		(21)	(15)
Auditor's fees		(21)	(15)
Share registry expenses		(29)	(24)
Other administration expenses		(31)	(29)
Loss before income tax		(127)	(108)
Income tax benefit		-	-
Loss after tax attributable to the ordinary equity holders of the Company		(127)	(108)
Other comprehensive income for the period net of tax		-	-
Total comprehensive loss for the period attributable to the ordinary equity holders of the Company		(127)	(108)
Loss per share		Cents	Cents
Loss per share attributable to ordinary equity holders – basic and diluted		(0.06)	(0.05)

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

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SUMMIT RESOURCES LIMITED
HALF YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Notes	31 December 2017 \$'000	30 June 2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5	251	891
Other current assets	6	145	145
Prepayments		40	-
Other receivables		70	32
Assets classified as held for sale	7	995	215
Total Current Assets		1,501	1,283
NON CURRENT ASSETS			
Property, plant & equipment	8	34	1,109
Exploration and evaluation expenditure	9	46,509	45,668
Total Non Current Assets		46,543	46,777
TOTAL ASSETS		48,044	48,060
CURRENT LIABILITIES			
Trade and other payables		156	58
Unearned revenue		13	-
Total Current Liabilities		169	58
TOTAL LIABILITIES		169	58
NET ASSETS		47,875	48,002
EQUITY			
Contributed equity	10	99,381	99,381
Accumulated losses		(51,506)	(51,379)
TOTAL EQUITY		47,875	48,002

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

SUMMIT RESOURCES LIMITED

HALF YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2017

	Contributed Equity \$'000	Accumulated Losses \$'000	Total \$'000
At 1 July 2016	99,381	(51,085)	48,296
Loss after tax	-	(108)	(108)
Other comprehensive income	-	-	-
Total comprehensive loss for the period, net of tax	-	(108)	(108)
At 31 December 2016	99,381	(51,193)	48,188
At 1 July 2017	99,381	(51,379)	48,002
Loss after tax	-	(127)	(127)
Other comprehensive income	-	-	-
Total comprehensive loss for the period, net of tax	-	(127)	(127)
At 31 December 2017	99,381	(51,506)	47,875

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

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SUMMIT RESOURCES LIMITED

HALF YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS for the half year ended 31 December 2017

	31 December 2017 \$'000	31 December 2016 \$'000
Cash Flows from Operating Activities		
Interest received	6	16
Payments to suppliers and employees	(211)	(144)
Rental income	6	11
Net Cash Outflow from Operating Activities	(199)	(117)
Cash Flows from Investing Activities		
Exploration expenditure	(675)	(133)
Proceeds from sale of property, plant and equipment	232	-
Net Cash Outflow from Investing Activities	(443)	(133)
Cash Flows from Financing Activities		
Funds received from joint arrangement partner	49	37
Loans to joint arrangement partner	(49)	(37)
Redemption of term deposit	2	109
Net Cash Inflow from Financing Activities	2	109
Net decrease increase in cash and cash equivalents	(640)	(141)
Cash and cash equivalents at beginning of period	891	772
Cash and cash equivalents at end of period	251	631

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

SUMMIT RESOURCES LIMITED

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Half Year Financial Report of Summit Resources Limited for the six months ended 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on 8 March 2018.

Summit Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The ultimate parent of Summit Resources Limited is Paladin Energy Ltd which owns 82.08% (2016: 82.08%) of the ordinary shares.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose financial report for the six months ended 31 December 2017 has been prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Summit Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

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

From 1 July 2017 the Company has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2017. The Company has not elected to early adopt any new accounting standards and interpretations.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (A\$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Instrument 2016/191. The Company is an entity to which the instrument applies.

3. 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 \$127,000 (year ended 30 June 2017: \$294,000) for the half year ended 31 December 2017. As at 31 December 2017, the Group had a net current asset surplus of \$337,000 (30 June 2017: \$1,225,000), including cash on hand of \$251,000 (30 June 2017: \$891,000) and term deposits of \$145,000 (30 June 2017: \$145,000).

Funding will be required within the next 12 months to address the Group's forecast net cash deficit position. Please refer to note 12 for the commitment obligations required by the company over the next 12 months.

In order to obtain funding for its operations and to meet expenditure commitments on its tenements, the Company has engaged a property agency to facilitate a proposed sale and leaseback of its office building in Mount Isa. The proposed sale of the property will take place by way of auction with the expected sale date being 28 March 2018.

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 funding will be obtained from the sale of its office building, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

SUMMIT RESOURCES LIMITED

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

	31 December 2017 \$'000	31 December 2016 \$'000
4. INCOME		
Included in income are the following items:		
Interest income	6	18
Rental income	6	11
Profit on sale of motor vehicle	17	-
Total income	29	29
	31 December 2017 \$'000	30 June 2017 \$'000
5. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	30	39
Short-term deposit	221	852
Total cash and cash equivalents	251	891
6. OTHER CURRENT ASSETS		
Other current assets	145	145
Other current assets are term deposits greater than 3 months.		
7. ASSETS CLASSIFIED AS HELD FOR SALE		
Total assets classified as held for sale	995	215

The Company has engaged a property consultant to facilitate a proposed sale and leaseback of its office building located at 17 Traders Way, Mount Isa. The proposed sale of the property will take place by way of auction with the expected sale date being 28 March 2018.

At 30 June 2017, 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. In FY2017, an impairment expense of AU\$65,000 was recognised to measure the property at its recoverable amount

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SUMMIT RESOURCES LIMITED

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

	31 December 2017 \$'000	30 June 2017 \$'000
8. PROPERTY, PLANT & EQUIPMENT		
Land & buildings – at cost	-	3,399
Less accumulated depreciation	-	(2,327)
Total land & buildings ⁽¹⁾	<u>-</u>	<u>1,072</u>
Motor vehicles	167	195
Less accumulated depreciation	(167)	(195)
Total motor vehicles	<u>-</u>	<u>-</u>
Office furniture & equipment	293	343
Less accumulated depreciation	(290)	(340)
Total office furniture & equipment	<u>3</u>	<u>3</u>
Camp furniture & equipment	859	872
Less accumulated depreciation	(856)	(866)
Total camp furniture & equipment	<u>3</u>	<u>6</u>
Other equipment	87	87
Less accumulated depreciation	(59)	(59)
Total other equipment	<u>28</u>	<u>28</u>
Total property, plant & equipment	<u>34</u>	<u>1,109</u>

The depreciation charge for plant & equipment relating to the exploration tenements for the period has been capitalised to exploration on the Consolidated Statement of Financial Position.

(1) Refer to Note 7 Assets Classified as Held for Sale.

9. EXPLORATION AND EVALUATION EXPENDITURE

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

	31 December 2017 \$'000
At cost	
Opening balance at 1 July 2017	45,668
Expenditure during the period	841
Closing balance at 31 December 2017	<u>46,509</u>
	30 June 2017 \$'000
At cost	
Opening balance at 1 July 2017	45,112
Expenditure during the period	556
Closing balance at 30 June 2017	<u>45,668</u>

10. CONTRIBUTED EQUITY

	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	Number of Shares		\$'000	\$'000
Issued capital				
Ordinary shares – fully paid	<u>217,981,769</u>	<u>217,981,769</u>	<u>99,381</u>	<u>99,381</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There were no options issued or exercised during the period and there was no movement for the half year ended 31 December 2017.

SUMMIT RESOURCES LIMITED

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

11. SEGMENT INFORMATION

The Company is solely involved in uranium exploration in Australia and management (the chief operating decision makers) monitor the Company based on actual versus budgeted expenditure incurred by project. Discrete financial information about each of these projects is reported to management on a monthly basis. As the projects are within one area of interest and have similar economic characteristics, they have been aggregated to form one reportable segment.

Accordingly, the Company has only one reportable segment and the results are the same as the Company results.

All non current assets for the Group are held in Australia.

	31 December 2017 \$'000	30 June 2017 \$'000
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12. COMMITMENTS AND CONTINGENCIES

Tenements

Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	529	246
Later than one year but not later than 5 years	190	539
More than 5 years	-	-
	<u>719</u>	<u>785</u>

These include commitments relating to tenement lease rentals and exploration expenditures to meet the minimum expenditure requirements of the various mines departments. These obligations will be fulfilled in the normal course of operations, which may include farm-out, joint venture and direct exploration expenditure.

13. EVENTS AFTER THE BALANCE SHEET DATE

Since 31 December 2017, 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 Company, the results of those operations or the state of affairs of the Company in subsequent periods.

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 Summit Resources Limited for the half-year ended 31 December 2017 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 31 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) subject to the matters set out in Note 3 to the Financial Statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C. Barnes', with a stylized flourish.

CRAIG BARNES
Executive Director

Perth, Western Australia
8 March 2018

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Independent auditor's review report to the members of Summit Resources Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Summit Resources Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated income statement and statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Summit Resources Limited Group (the Group). The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Summit Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

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

1. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 3 in the half-year financial report which indicates that the Group incurred a net loss after tax of \$127,000 for the half year ended 31 December 2017 and requires additional funding to meet its annual minimum tenement expenditure commitments. This condition, along with other matters set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Ben Gargett'.

Ben Gargett
Partner

Perth
8 March 2018

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Level 4, 502 Hay Street, Subiaco, Western Australia 6008
(PO Box 201, Subiaco, Western Australia 6904)
Telephone: +61 8 9381 4366 Facsimile: +61 8 9381 4978
Email: info@summitresources.com.au
www.summitresources.com.au