



SUMMIT RESOURCES LIMITED

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ASX, NZSX and Media release

30 April 2007

Fifth Supplementary Target's Statement

This document is a supplementary Target's Statement under section 644 of the Corporations Act 2001 (Cth). It is the fifth supplementary Target's Statement (Fifth Supplementary Target's Statement) issued by Summit Resources Limited ABN 86 009 474 775 (Summit) in relation to the off-market takeover bid made by Paladin Resources Ltd ABN 47 061 681 098 for all of the fully paid ordinary shares in Summit.

This Fifth Supplementary Target's Statement supplements, and should be read together with, Summit's Target's Statement dated 20 March 2007, Summit's First Supplementary Target's Statement dated 20 March 2007, Summit's Second Supplementary Target's Statement dated 11 April 2007, Summit's Third Supplementary Target's Statement dated 16 April 2007 and Summit's Fourth Supplementary Target's Statement dated 23 April 2007. A copy of this Fifth Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents. This Fifth Supplementary Target's Statement is dated 30 April 2007. Terms in this Fifth Supplementary Target's Statement have the same meaning as the definitions in Summit's Target's Statement.

This Fifth Supplementary Target's Statement has been lodged with the ASX and the NZSX.

Signed for and on behalf of
Summit Resources Limited

A handwritten signature in black ink, appearing to read "Alan J Eggers", written over a horizontal line.

Alan J Eggers
Managing Director

Attachment A

On Thursday, 26 April 2007 Areva NC announced that it had acquired a shareholding of 10.46% in Summit (the Blocking Stake).

Rumours that Areva was in the market for a 10% stake had emerged late on Tuesday, 24 April 2007. Summit and its advisers had considered the implications for Summit shareholders of Areva acquiring the Blocking Stake on Anzac Day and early on Thursday, 26 April 2007. Summit concluded that should the rumour prove to be correct, the purchase by Areva would have no impact on the unanimous view of the Summit board that shareholders should accept Paladin's higher offer which had first been announced to the market on 12 April 2007.

Areva announced that it had acquired its Blocking Stake prior to the opening of trading on Thursday, 26 April 2007. In its announcement, Areva confirmed that it had no current intention of making a full takeover offer for Summit.

A meeting of the Summit board was held before trading commenced and the board unanimously resolved to confirm its prior advice to Summit shareholders that they should accept the Paladin Offer without delay. An announcement to that effect was then released to the market.

By the anticipated close of the offer period at 5.00pm on Friday, 27 April 2007 Paladin had received acceptances in respect of 58.21% of the Summit shares on issue. Paladin's Offer was therefore automatically extended for 2 weeks until 5.00pm on Friday, 11 May 2007.

This Fifth Supplementary Target's Statement addresses a number of issues that are relevant to those shareholders who have not yet accepted the Paladin Offer.

1. The potential for Summit to remain listed on ASX and NZSX;
2. The extension of Paladin's Offer and confirmation of the Summit board's recommendation that all Summit shareholders should accept the Paladin Offer;
3. Summit's response to public and private assertions that Areva has made about its contractual arrangements with Summit;
4. The implications for Summit shareholders of remaining as a minority shareholder in Summit;
5. Whether capital gains tax (CGT) rollover relief will be available to Summit shareholders who accept the Paladin Offer;
6. The exercise of all options held by directors, employees and contractors of Summit; and
7. Increases in costs associated with the response to the Paladin Offer and the Areva transaction.

1. Potential continued listing of Summit

The Paladin Offer was unconditional on the date that Summit directors unanimously recommended it. As it was unconditional, there was no guarantee that Paladin would receive sufficient acceptances of its Offer to enable it to move to 100% ownership of Summit. The implications for Summit and its shareholders of Paladin acquiring less than 100% of Summit are set out in Paladin's Bidder's Statement.

The decision of the Summit board to recommend acceptance of Paladin's Offer was not linked to, nor was it conditional upon, Paladin receiving 100% control. For reasons that have previously been explained in writing to all shareholders, the Summit board had concluded

that the interests of Summit's shareholders were (and remain) best served by accepting Paladin's Offer. Prior to Areva acquiring the Blocking Stake, it was, however, considered by the Summit board likely that Paladin would have acquired 100% of the shares in Summit.

The acquisition by Areva of the Blocking Stake means that Paladin will not be able to acquire 100% of Summit unless Areva also accepts the Paladin Offer (which presently appears unlikely, but which is entirely within Areva's discretion).

Summit notes that since it made its announcement about the acquisition of the Blocking Stake, Areva has not disclosed its intentions in relation to the Paladin Offer. However, in all the circumstances, it now appears more likely that Summit will (for a time at least) remain listed on one or both of the Australian and New Zealand stock exchanges.

Shareholders contemplating not accepting the Paladin Offer should note the issues referred to in Section 4 of this Fifth Supplementary Target's Statement and reconsider the disclosure in Section 7 of Paladin's Bidder's Statement.

2. The extension of Paladin's Offer and confirmation of the Summit board's recommendation that all Summit shareholders should accept the Paladin Offer.

On Friday 27 April 2007, Paladin's relevant interest in Summit shares was 58.21%. Under the *Corporations Act 2001*, as a consequence of Paladin passing through the 50% level on that day, Paladin's Offer has been automatically extended and is now scheduled to close on Friday, 11 May 2007 (unless further extended).

As previously advised, the Summit board maintains its unanimous recommendation that all Summit shareholders should accept the Paladin Offer prior to the next scheduled close of the Offer at 5.00pm on Friday, 11 May 2007.

3. Summit's response to comments by Areva about the proposed Strategic Alliance.

Summit notes comments in the press by Areva in connection with the proposed Strategic Alliance announced to the market on 11 April 2007.

For the avoidance of any possible doubt, Summit wishes to take this opportunity to clarify points in relation to the proposed transaction with Areva which was announced on 11 April 2007.

On Sunday, 22 April 2007 Summit advised Areva that it had been informed by Paladin that, in view of the material change in circumstances since the announcement of Paladin's increased Offer (the recommendation to accept the Paladin Offer in preference to the Areva deal and the fact that Paladin was then expected to move to outright ownership of all of the shares in Summit) Paladin would vote against any resolution put to Summit shareholders to approve the Areva transaction.

Summit advised the market on Monday, 23 April 2007 that as a result of the Summit board's decision to recommend the Paladin Offer and various discussions that Summit had held with Paladin, the Areva transaction would no longer be put to Summit shareholders for approval and therefore would not proceed.

The Areva transaction was negotiated with both Areva and Summit understanding that it was possible that Paladin would increase its offer. It was also apparent to both Areva and Summit that the Summit board might end up recommending an increased offer. That was one of the reasons Summit agreed that Areva could terminate the agreements and claim a break fee if certain "Trigger Events" occurred. Among other things, those Trigger Events included the

Summit board withdrawing its recommendation of the Strategic Alliance or the Summit board publicly recommending a higher offer.

When Summit announced that the Areva deal would not be put to shareholders, the Summit board recognised that a break fee of A\$2.5m may be claimed by Areva. That break fee is described in the documentation signed with Areva as an amount to compensate Areva for (among other things):

"reasonable opportunity costs incurred by Areva in pursuing the Proposed Transaction (including facilitating the issue of equity in Summit to Areva) or not pursuing other alternative initiatives".

To date, Areva has elected not to exercise its right to terminate the agreements and claim the break fee.

Under the proposed transaction with Areva, subject to Summit shareholder approval, Areva would, among other things, have acquired a shareholding of up to 18% in Summit in two tranches of 9% each. To give effect to the proposed transaction, Summit was obliged to convene a meeting of its shareholders to seek approvals required under ASX Listing Rules 7.1 and 7.9.

Irrespective of the other factors which led the Summit board to decide not to progress the Areva transaction, the purchase by Areva of the Blocking Stake has effectively ended any possibility of Summit proceeding to seek shareholder approval for shares to be issued to Areva in the manner contemplated by the agreements signed with Areva.

As a consequence of Areva's acquisition of the Blocking Stake, upon the acquisition of the second 9% tranche of shares, and assuming that Areva does not dispose of the Blocking Stake, Areva would have an aggregate relevant interest of just over 26.5% of Summit's voting shares. This acquisition would contravene the *Corporations Act 2001* (the Act) restriction on acquisitions exceeding 20%, unless one of a defined number of exceptions in the Act were to apply.

It is true that such a contravention could be avoided if shareholders not associated with Areva approve the acquisition by Areva of shares beyond 20%, provided shareholders receive a report from an independent expert appointed by Summit opining on whether that acquisition is fair and reasonable.

Seeking shareholder approval for Areva to acquire more than 20% of Summit was never in the contemplation of the Summit board. Summit is under no obligation, nor does it intend, to either try and obtain an independent expert's report or otherwise seek shareholder approval for a transaction with Areva that is fundamentally different to what was originally contemplated, and which Paladin has informed Summit that it would vote against, and therefore defeat, at any shareholders' meeting.

Areva's announcement on 26 April 2007 states that "*Areva continues to be interested in pursuing its strategic alliance with Summit, as announced on 11 April 2007*". However, given the consequence of the combined relevant interest in Summit shares resulting from Areva's acquisition of the Blocking Stake and subscription for the 18% that would otherwise have been issued to Areva, this position does not appear tenable.

4. The implications for Summit shareholders of remaining as a minority shareholder in Summit.

As stated above, the Summit board's recommendation that shareholders accept Paladin's Offer was not dependent on Paladin achieving 100% ownership of Summit. However, with Areva now holding the Blocking Stake, it is more likely that Summit will remain listed. This raises additional risks for Summit shareholders who do not accept Paladin's Offer which, in the view of the Summit board, are not likely to be outweighed by the benefits of retaining a shareholding in Summit.

Those risks are summarised below.

Development Risks

One of the key reasons behind the decision of the Summit board to recommend acceptance of Paladin's Offer was the risk that the Queensland State government would not approve any new uranium mines in Queensland notwithstanding a change to the ALP's national "no new mines" policy.

At its National Conference on 28 April 2007, the ALP did drop its no new mines policy. However, the development of new uranium mines remains a State based decision and press reports following the announcement of the ALP's policy change suggest that Queensland Premier Beattie has not changed his previously announced stance that new uranium mines will not be approved in Queensland (see comments attributed to Mr Beattie on the Courier Mail section of news.com.au on 28 April 2007). This clearly has negative implications for Summit as a stand alone company and supports the decision of the Summit board to recommend acceptance of Paladin's Offer.

For Paladin, the implications of Mr Beattie's stance are less significant because unlike Summit, Paladin can deliver shareholder value through its other uranium projects while waiting for the current Queensland policy to allow development at Mount Isa. Paladin has forecast a 2012 start of operations at Mount Isa, which would not require a policy change during 2007.

For Areva, Summit believes that short term development timetables are also largely irrelevant. Summit believes that Areva is focussed on developing a global diversified source of uranium that Areva can control in the coming decades. The particular time at which one or other deposit becomes available is not necessarily critical for Areva provided it has a large enough inventory of projects to meet its current and forecast contractual commitments.

Short to medium term problems with obtaining State government approvals to develop the Mount Isa Uranium Project are therefore unlikely to be as important to Areva as they are to Summit and its minority shareholders.

For Summit minority shareholders, the value proposition that is likely to influence the price at which Summit's shares trade in the market remains heavily dependent on approvals being granted for Summit to develop its Mount Isa Uranium Project. The timing for those approvals continues to be highly uncertain and this poses material risks for Summit minority shareholders.

Lack of Liquidity and Possible De-listing

It is likely that by the end of the Paladin offer period, there will be relatively few existing Summit shareholders holding their shares. In that circumstance, trading of Summit shares on the ASX and the NZSX will decline and minority shareholders who subsequently wish to sell their Summit shares may have more difficulty doing so in a more illiquid market for Summit shares.

It is also possible that the number of shareholders in Summit and the liquidity of trading could drop to a level that causes the board of Summit (or the ASX/NZSX) to de-list Summit from the ASX and/or the NZSX

Requirement for further Equity Capital

Summit is likely to require additional equity capital and there is no guarantee that minority shareholders will be given the right to participate in such capital raisings. This could result in further dilution.

Lack of Alignment of Interests

Summit notes that the interests of Paladin and Areva will not necessarily be aligned with the interests of other minority shareholders in Summit. In particular, Summit believes that Areva's interest appears primarily to relate to a desire to secure marketing rights over Summit's share of uranium production. Accordingly, agreements that may be reached between Paladin and Areva, whilst complying with all statutory and other obligations to minority shareholders, may nevertheless not deliver equivalent value to minority shareholders as may be enjoyed by Areva or Paladin, respectively.

In all the circumstances, the Summit board remains of the opinion that its shareholders will be better off if they align their interests with all other Paladin shareholders by accepting the Paladin Offer.

5. Whether capital gains tax rollover relief will be available to Summit shareholders who accept the Paladin Offer.

Summit's Target's Statement dated 20 March 2007 stated that Capital Gains Tax roll-over relief would only be available to eligible Summit shareholders if Paladin becomes owner of 80% of Summit's shares by the end of its Offer. Notwithstanding the acquisition of the Blocking Stake by Areva, Summit's directors currently anticipate that Paladin will be successful in acquiring at least that 80% holding and will, together with Paladin, be encouraging Summit shareholders to accept Paladin's increased Offer in order to reach that threshold.

However, Areva's acquisition of the Blocking Stake does increase the risk that Paladin may not reach that threshold in which case CGT rollover relief would not be available to any Summit shareholders who have accepted the Paladin Offer. The risk of this outcome does not alter the Summit directors' recommendation that Summit shareholders accept Paladin's increased offer.

6. The exercise of all options held by directors, employees and contractors of Summit.

With the exception of those held by John Seton and Alan Eggers, all of the options previously issued by Summit and disclosed to the market have now been exercised with the approval and consent of Paladin and where necessary, the approval of ASIC and the ASX.

Mr Seton and Mr Eggers plan to exercise their options prior to the close of the Paladin Offer on 11 May 2007.

7. Increases in costs associated with the response to the Paladin Offer and the Areva transaction.

In the Target's Statement dated 20 March 2007, Summit disclosed that up to \$4 million of fees for professional services and other transaction costs were then expected to be incurred by Summit in responding to the Paladin Offer. That estimate took into account the fact that the Summit board was at that time recommending rejection of the Paladin Offer.

At the time that the Summit board recommended that Summit shareholders should accept Paladin's higher Offer, the Summit board believed that Paladin would move to 100% ownership of Summit. That belief was based on its expectation that no alternative offer would emerge and that shareholders (retail, institutional and hedge funds alike) would follow the board's recommendation and accept Paladin's higher Offer.

As a consequence of the acquisition by Areva of the Blocking Stake, it now appears likely that Paladin will not be able to become a 100% shareholder and Summit will remain listed. The level of expenses incurred by Summit in responding to Paladin's higher Offer has therefore become a relevant issue for those Summit shareholders who do not accept the Paladin Offer and continue to hold Summit shares.

As is typical with transactions of this type, the investment banking mandate between Summit and its corporate adviser, Gresham Advisory Partners Limited, includes incentive fee arrangements under which fees paid to Gresham include a material component which is calculated by reference to the difference in value between Paladin's final Offer and the value of its initial Offer.

On 12 April 2007, Paladin announced a 22% increase in its Offer from one new Paladin share for every 2.04 Summit shares to one new Paladin share for every 1.67 Summit shares.

Based on Paladin's closing price of \$10.38 on 11 April 2007 (the day before Paladin's increased Offer was announced) the value of the increase in Paladin's Offer was approximately A\$220 million.

As a consequence of Paladin gaining outright control of Summit, investment banking fees will now be payable which will result in a material increase in the level of costs that will be incurred by Summit. Summit is not at this stage able to calculate the total fee that will be payable to Gresham because the final fee will be calculated using a volume weighted average share price of Paladin's shares during the 5 days from (and including) the day after the close of the Paladin Offer. However, based on closing prices on Friday 27 April the fee would have been approximately \$16.4 million (pre GST).

Summit has also incurred additional costs and expenses associated with the negotiation of the proposed transaction with Areva and it is possible that Areva will claim the A\$2.5million break fee from Summit.

As a result of the exercise of outstanding options, Summit's current cash reserves are now approximately A\$26 million.

The board of Summit remains of the unanimous opinion that all Summit shareholders should accept the Paladin Offer before the next scheduled close of the Offer on Friday, 11 May 2007.

Any shareholders who require assistance with processing their acceptance should call the Summit shareholder information line on 1800 104 758 (within Australia) or +61 2 8268 3691 (for international callers).