



ASX ANNOUNCEMENT

1 August 2018

Recommended off-market takeover offer of Summit Resources Limited by Paladin Energy Limited

Summit Resources Limited (**Summit**) (ASX: SMM) is pleased to announce that it has entered into a Bid Implementation Agreement (**BIA**) with Paladin Energy Limited (**Paladin**) (ASX:PDN), under which it is proposed that Paladin will make an off-market conditional takeover bid for all of the issued shares of Summit it does not presently hold (the **Offer**).

Highlights

- Under the Offer, Summit shareholders will receive one (1) new Paladin share for every one (1) Summit share held. Paladin currently has on issue 1,712,843,812 shares and Summit currently has on issue 217,981,769 shares.
- The Offer price represents approximately A\$0.202 per Summit share, a 68.33% premium to the last closing price of Summit's shares and values the share capital of Summit at approximately A\$44m.¹
- The Offer provides Summit shareholders with a shareholding in a company that has exposure to a broader range of uranium projects and with a stock which has greater liquidity.
- The Offer is subject to Paladin having at least 75% acceptances and a relevant interest in more than 90% of all the Summit shares and additional customary conditions.
- The Independent Directors of Summit unanimously recommend that Summit shareholders accept the Offer in the absence of a superior proposal and subject to the independent expert not concluding that the Offer is not fair and not reasonable.
- Paladin has agreed to provide a loan facility to Summit of up to \$500,000 for the purposes of its working capital requirements, including its transaction costs.

Paladin is Summit's largest shareholder with an existing relevant interest in 82.08% of the Summit shares on issue. Paladin's Chief Financial Officer, Craig Barnes has served as an executive director of Summit since early 2018. Since Mr. Barnes is a director of Summit and the Chief Financial Officer of Paladin, an independent Summit board committee comprising Messrs. Mal Randall and David Berrie (**Independent Directors**) has been formed to consider, negotiate and recommend the Offer to Summit shareholders.

¹ Based on Paladin's 5-day VWAP up to and including 31 July 2018 of \$0.202 and the closing price of Summit's shares on 31 July 2018 of \$0.120. Using Paladin's latest closing price on 31 July 2018 of \$0.200 or 30-day VWAP up to and including 31 July 2018 of \$0.193, the Offer is valued at approximately \$43.60 million and \$42.14 million, respectively.

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Details of the Offer

Summit shareholders will, subject to the fulfilment or waiver of the conditions, receive one Paladin share per Summit share.

The Offer values the share capital of Summit at approximately A\$44.01 million based on the Volume Weighted Average Price (**VWAP**) of Paladin's shares over the five trading days up to and including 31 July 2018 of A\$0.202.²

Summit's Non-Executive Director Mal Randall said:

"Paladin's Offer provides Summit shareholders with an opportunity to become shareholders in a company that has exposure to a broader range of uranium projects and with a stock which has greater liquidity than what Summit currently enjoys."

The Offer is subject to a number of conditions (**Conditions**), including:

- Paladin acquiring a relevant interest in more than 90% of all Summit shares and at least 75% of the Summit Shares that Paladin is offering to acquire under the Offer
- No "material adverse event" occurring in respect of Summit (as defined in the BIA)
- No "prescribed occurrences" occurring in respect of Summit (as defined in the BIA)
- No material claims or proceedings being commenced by or against Summit in any court or tribunal

Full details of the Offer, Conditions and other relevant provisions are contained in the BIA, with a full copy attached to this announcement.

Unanimous Recommendation by Summit's Independent Directors

The Independent Directors have carefully considered the Offer and unanimously recommend that Summit shareholders should ACCEPT the Offer in respect of all of their Summit shares in the absence of a superior proposal and subject to the independent expert not concluding that the Offer is not fair and not reasonable.

Summit has appointed BDO Corporate Finance (WA) Pty Ltd as the independent expert to opine on whether the Offer is fair and reasonable (**Independent Expert**). The Independent Expert's report will be included in the Target's Statement to be distributed by Summit in due course.

² Using Paladin's latest closing price on 31 July 2018 of \$0.200 or 30-day VWAP up to and including 31 July 2018 of \$0.193, the Offer is valued at approximately \$43.60 million and \$42.14 million, respectively.

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Shareholder support

As noted above, Paladin is Summit's largest shareholder with an existing relevant interest in 82.08% of the Summit shares on issue. Summit shareholders representing an additional 14.82% of Summit shares have also indicated to Summit that they will accept the Offer, subject to the conditions below.

The following beneficial shareholders have separately provided Summit with a written statement confirming their respective intentions to instruct their respective custodians to accept the Offer after 21 days of the Offer period opening, subject to no superior proposal emerging and the Independent Expert not concluding that the Offer is not fair and not reasonable:

- Orano Cycle (with a beneficial shareholding of 22,109,045 shares, comprising 10.14% of Summit's issued share capital, held through BNP Paribus Nominees Pty Ltd as custodian); and
- Revelation Special Situations Fund Ltd (with a beneficial shareholding of 10,189,249 shares, comprising 4.67% of Summit's issued share capital, held through Citicorp Nominees Pty Limited as custodian).

In the case of Orano Cycle, its statement of intention is also subject to there being no Paladin Material Adverse Change, as that term is defined in the BIA.

Each of the shareholders named above have consented to the disclosure of their intention in this announcement.

Paladin Energy Limited

Paladin is a uranium production company with projects currently in Australia and Canada, and two mines in Africa with a strategy to become a major uranium mining house. Since 1998, during a period of sustained downturn in global uranium markets, Paladin accumulated a quality portfolio of advanced uranium projects each having production potential. Paladin is listed on the Australian Securities Exchange and Namibian Stock Exchange under the symbol PDN. The Company also trades on the Munich, Berlin, Stuttgart, and Frankfurt Exchanges under the symbol PUR.

Funding

Paladin has agreed to provide Summit with a \$500,000 unsecured loan facility to assist Summit to fund its short-term working capital needs during the Offer period. The facility will be available for draw-down from the date of this announcement until the earlier of:

- the BIA being terminated for any reason;
- the end of the Offer period; and
- 31 January 2019

(Availability End Date).

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Any amounts advanced under the loan facility plus a fixed interest fee of 10% of the loan facility are repayable on the date that is three months after the Availability End Date, although there is an obligation to repay those amounts in full immediately at Paladin's election if an insolvency event occurs in respect of Summit.

Indicative Timetable

Event	Key Date
Announcement of the Offer	11 August 2018
Expected date of lodgement of Bidder's Statement and Target's Statement with ASIC and ASX	11 September 2018
Expected date of despatch of Bidder's Statement and Target's Statement to Summit shareholders	13 September 2018
Expected Offer open date	13 September 2018
Expected Offer close date (unless extended in accordance with the Corporations Act)	5pm (Perth time) on 12 October 2018

Next Steps

Summit shareholders do not currently need to take any action in relation to the Offer.

Detailed information in relation to the Offer will be set out in a Bidder's Statement and Target's Statement, each of which will be lodged with the ASX, Australian Securities & Investments Commission and sent to Summit shareholders as soon as practicable.

Summit shareholders should consult their stockbroker, accountant, tax, financial or other professional adviser about the impact of the Offer on their particular investment objectives.

Summit will advise its shareholders of any further relevant developments as they occur.

Advisors

The Independent Directors have engaged Bellanhouse as Summit's legal adviser in relation to the Offer. Paladin has engaged Steinepreis Paganin as its legal adviser in relation to the Offer.

For further information please contact:

Mr. David Berrie, Non-Executive Director, Summit Resources Limited – 08 9381 4366

**PALADIN ENERGY LTD
ACN 061 681 098
(PDN)**

and

**SUMMIT RESOURCES LIMITED
ACN 009 474 775
(SMM)**

BID IMPLEMENTATION AGREEMENT

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THIS AGREEMENT is made the 31st day of July 2018

BETWEEN

PALADIN ENERGY LTD (ACN 061 681 098) of Level 4, 502 Hay Street, Subiaco, Western Australia 6008 (**Paladin**);

AND

SUMMIT RESOURCES LIMITED (ACN 009 474 775) of Level 4, 502 Hay Street, Subiaco, Western Australia 6008 (**Summit**).

RECITALS

- A.** Paladin is proposing to acquire all of the Summit Shares by way of the Takeover Bid.
- B.** Summit and Paladin have agreed to certain matters in relation to the Takeover Bid as set out in this agreement.
- C.** Summit has been informed that the Recommending Directors propose to recommend that Summit Shareholders accept the Offer in respect of their Summit Shares subject only to the qualifications that no Superior Proposal emerges and the Independent Expert concluding and continuing to conclude in its Independent Expert's Report that the Offer is either fair and reasonable, or not fair but reasonable.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words have these meanings in this agreement unless the contrary intention appears:

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

Amount of the Consideration means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to non-monetary consideration in connection with a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

Announcement Date means the date the Takeover Bid is announced in accordance with clause 8 and the Timetable.

Associate has the meaning in section 12 of the Corporations Act as if subsection (1) of that section is included as a reference to this agreement.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

Bidder's Statement means the bidder's statement to be issued by Paladin in respect of the Takeover Bid in accordance with Chapter 6 of the Corporations Act.

Business Day means a business day as defined in the Listing Rules.

Competing Transaction means any expression of interest, proposal, offer or transaction notified to the Recommending Directors which, if completed substantially in accordance with its terms, would mean a person (other than Paladin or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or relevant interest in or become the holder of:
 - (i) 10% or more of all Summit Shares; or
 - (ii) all or a substantial part of the business conducted by the Summit Group;
- (b) acquire control of Summit, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with Summit or acquire an economic interest in the whole or a substantial part of Summit or the Summit Group or their businesses (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Conditions means the conditions to the Offer which are set out in Schedule 2.

Confidential Information means Paladin Confidential Information or Summit Confidential Information, as the case requires.

Confidentiality Agreement means the confidentiality agreement between Paladin and Summit dated on or about 23 May 2018.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means the earliest of:

- (a) date of termination of this agreement in accordance with its terms; and
- (b) the end of the Offer Period,

or such later date as the parties agree.

Excluded Information means Paladin Confidential Information or Summit Confidential Information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the party providing the Confidential Information;

- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Related Body Corporate or Representative of the party providing the Confidential Information where such source is entitled to disclose it.

Foreign Summit Shareholder means a Summit Shareholder:

- (a) who is a citizen or resident of a jurisdiction other than residents of Australia and its external territories or New Zealand; or
- (b) whose address shown in the Register is a place outside Australia and its external territories or New Zealand,

unless Paladin determines that:

- (c) it is lawful and not unduly onerous or unduly impracticable to issue that Summit Shareholder with Paladin Shares on completion of the Offer; and
- (d) it is lawful for that Summit Shareholder to participate in the Offer by the law of the relevant place outside Australia and its external territories or New Zealand.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Independent Expert means the independent expert to be engaged by Summit to prepare the Independent Expert's Report.

Independent Expert's Report has the meaning given in clause 4.2 and includes any updates that are issued by the Independent Expert.

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it or its Subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property;
- (c) it or its Subsidiaries enters into a deed of company arrangement;
- (d) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);
- (e) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days),

resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;

- (f) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject);
- (h) it is otherwise unable to pay its debts when they fall due; or
- (i) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Listing Rules means the Listing Rules of ASX.

Lodgement Date means the date Paladin lodges the Bidder's Statement with ASIC.

Material Contract means a contract or commitment requiring total payments by, or providing revenue to, a party in excess of \$100,000, in the case of the Summit Group and \$100,000 in the case of the Paladin Group.

Offer means each offer to acquire Summit Shares to be made by Paladin to each Summit Shareholder under the Takeover Bid on terms consistent with this agreement.

Offer Date means:

- (a) the date which is 5 Business Days after the Lodgement Date, unless the parties otherwise agree on an earlier despatch date for the Offers following lodgement of the Bidder's Statement with ASIC, in which case the Offer Date will be the earlier despatch date agreed by the parties; or
- (b) such other date agreed on in writing by the parties.

Offer Period means the period during which the Offer is open for acceptance.

Officers means, in relation to an entity, its directors, officers, and employees.

Paladin Board means the board of directors of Paladin.

Paladin Confidential Information means all confidential, non-public or proprietary information, regardless of how the information is stored or delivered, exchanged between the parties before, on, or after the date of this agreement relating to the business, technology or other affairs of Paladin, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

Paladin Group means Paladin and its Subsidiaries.

Paladin Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public

(either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Paladin Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph(a), which occurred before the date of this agreement but was not apparent from public filings by Paladin before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Paladin Group exceeds US\$10,000,000, but does not include:

- (c) anything which has arisen solely as a result of any actions taken by any member of the Paladin Group in the ordinary course of its business;
- (d) those events or circumstances required to be done or procured by Paladin pursuant to this agreement;
- (e) those events or circumstances relating to changes in business conditions affecting the global uranium industry or security markets generally or a change in the market price of uranium which impacts on Paladin and its competitors in a similar manner; or
- (f) an event, circumstance, matter or information that is known to Summit or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Paladin with ASIC or provided to ASX on or prior to the date of this agreement.

Paladin Share means a fully paid ordinary share in Paladin.

Prescribed Occurrence means any of the events listed in Schedule 3.

Recommending Directors means Mr David Berrie and Mr Malcolm Randal, being all the directors of Summit other than Mr Craig Barnes, who is also an executive of Paladin and therefore abstains from making a recommendation in relation to the Offer.

Register means the share register of Summit and **Registry** has a corresponding meaning.

Register Date means the date set by Paladin pursuant to section 633(2) of the Corporations Act.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority including the Takeovers Panel;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Bodies Corporate has the meaning given to it in the Corporations Act.

Relevant Interest has the meaning given to it in the Corporations Act.

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) each of the Officers and Advisers of the party or any of its Related Bodies Corporate.

Restriction Period means the period commencing on the date of this agreement and ending on the earlier to occur of:

- (a) termination of this agreement; and
- (b) the End Date.

Sale Nominee has the meaning given in clause 3.4.

Subsidiaries has the meaning given in the Corporations Act.

Summit Board means the board of directors of Summit.

Summit Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this agreement relating to the business, technology or other affairs of Summit or its Subsidiaries, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

Summit Group means Summit and its Subsidiaries.

Summit Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Summit Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not apparent from public filings of Summit before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Summit Group exceeds \$100,000, but does not include:

- (c) anything which has arisen solely as a result of actions taken by any member of the Summit Group in the ordinary course of its business;
- (d) those events or circumstances required to be done or procured by Summit pursuant to this agreement;
- (e) those events or circumstances relating to changes in the global uranium industry or security markets generally or a change in the market price of

uranium which impacts on Summit and its competitors in a similar manner;
or

- (f) an event, circumstance, matter or information that is known to Paladin or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Summit with ASIC or provided to ASX on or prior to the date of this agreement.

Summit Share means a fully paid ordinary share in Summit.

Summit Shareholder means a holder of one or more Summit Shares.

Superior Proposal means a Competing Transaction which, is in the determination of the Recommending Directors acting reasonably and in good faith and in order to satisfy what the Recommending Directors consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to Summit Shareholders than the Takeover Bid, taking into account all terms and conditions of the Competing Transaction.

Takeover Bid means the off-market takeover bid by Paladin for all Summit Shares to be implemented in accordance with Chapter 6 of the Corporations Act.

Target's Statement means the target's statement to be issued by Summit in respect of the Takeover Bid under Section 638 of the Corporations Act.

Tax means any tax, levy, impost, charge or duty that is assessed, levied, imposed or collected by any Regulatory Authority together with any related interest, penalties, fines and expenses in connection with them.

Tenements means each of the tenements in which any member of the Summit Group has an interest.

Timetable means the timetable set out in Schedule 1.

1.2 Interpretation

In this agreement:

- (a) headings are for convenience only and do not affect its interpretation;

unless the context otherwise requires:

- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;

- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (j) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (k) if an act under this agreement to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day;
- (l) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified; and
- (m) a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

2. CO-OPERATION

2.1 General obligations

Summit and Paladin must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and the resources of external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Takeover Bid.

2.2 Access to people and information

- (a) Between the date of this agreement and the earlier of the end of the Offer Period and the date this agreement is terminated, each party must, to the extent reasonably required to implement the Takeover Bid:
 - (i) as soon as reasonably practicable provide the other party and its Representatives with any documents, records, and other

information (subject to applicable privacy laws) reasonably requested by them; and

- (ii) provide the other party and its officers and advisers with reasonable access within normal business hours to the other party's officers and Advisers (provided that such access does not impose an undue burden) which the party reasonably requires for the purposes of:
 - (A) further understanding the other party's financial position (including its working capital position), trading performance and management control systems;
 - (B) implementing the Takeover Bid;
 - (C) preparing for carrying on the business of Summit and Paladin following implementation of the Takeover Bid; and
 - (D) any other purpose which is agreed in writing between the parties.

(b) The obligations in clause 2.2(a), do not apply to the extent that:

- (i) in respect of Summit, the access or information is connected to the Recommending Directors' deliberations in relation to the transactions contemplated by this agreement, or information connected to a potential Competing Transaction; and
- (ii) in respect of Paladin, the access or information is connected to the Paladin Board's deliberations in relation to the transactions contemplated by this agreement.

2.3 Implementation obligations of Summit

Summit must:

- (a) provide all necessary information about the Register to Paladin which Paladin reasonably requires in order to assist Paladin to solicit acceptances under the Takeover Bid;
- (b) provide all necessary directions to the Registry promptly to provide any information that Paladin reasonably requests in relation to the Register, including any sub-register, and, where requested by Paladin, Summit must procure such information is provided to Paladin in such electronic form as is reasonably requested by Paladin; and
- (c) undertake regular beneficial shareholder analysis and promptly exercise its powers under section 672A of the Corporations Act if requested to do so by Paladin, acting reasonably, subject to Paladin meeting 100% of the costs of such services.

2.4 Appointment of directors – Summit Board

As soon as practicable after the Offer becomes unconditional, Summit must take all actions necessary to ensure that all except for those individuals nominated by Paladin (if any) resign from the Summit Board provided that a proper board is constituted at all times and that Paladin procures that its appointees to the

Summit Board do not participate in decisions of Summit in relation to the Takeover Bid until after the End Date and a quorum remains for that purpose.

3. THE OFFER

3.1 Offer by Paladin

- (a) Paladin agrees to make the Takeover Bid on the terms no less favourable to Summit Shareholders than as set out in this clause 3.
- (b) Paladin must, by no later than the Offer Date, and in any event as soon as reasonably practicable, make Offers to all Summit Shareholders in respect of all of their Summit Shares on the terms of this agreement or terms no less favourable to Summit Shareholders than the terms of this agreement and otherwise in accordance with all applicable provisions of the Corporations Act.

3.2 Consideration

The consideration offered by Paladin to every Summit Shareholder under the Takeover Bid will be 1 Paladin Share for every 1 Summit Share held as at the Register Date.

3.3 Fractional entitlements

If the number of Summit Shares held by a Summit Shareholder means that their aggregate entitlement to Paladin Shares under the Offer is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

3.4 Foreign Summit Shareholders

- (a) Paladin will, unless satisfied in its sole discretion that the laws of a Foreign Summit Shareholder's country of residence (as shown in the Register) permit the issue of Paladin Shares to the Foreign Summit Shareholder (either unconditionally or after compliance with conditions which Paladin regards in its sole discretion but acting reasonably as acceptable and not unduly onerous and not unduly impracticable), issue the Paladin Shares to which a Foreign Summit Shareholder would otherwise become entitled, to a nominee appointed by Paladin (**Sale Nominee**).
- (b) Paladin will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the expiry of the Offer Period, the Sale Nominee:
 - (i) sells on a financial market on which Paladin is listed all of the Paladin Shares issued to the Sale Nominee pursuant to clause 3.4(a) in such manner, or such financial market, at such price and on such other terms as the Sale Nominee determines in good faith; and
 - (ii) remits to (after deducting any applicable brokerage, duty and other selling costs, taxes and charges) each Foreign Summit Shareholder, the proportion of the net proceeds of sale to which each Foreign Summit Shareholder is entitled (calculated on an averaged basis so that all Foreign Summit Shareholders receive the same value per Summit Share, subject to rounding).

3.5 Conditions of the Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Each party must use all reasonable endeavours to satisfy the Conditions as soon as practicable after the date of this agreement.
- (c) Summit must use all reasonable endeavours to ensure that the Conditions in paragraph 3 (No Prescribed Occurrence) of Schedule 2 are not breached prior to the end of the Offer Period, provided that nothing in this clause requires the directors of Summit to take any action which would result in a breach of a fiduciary duty.
- (d) Paladin may waive the satisfaction of any Condition in its sole discretion.

3.6 Offer Period

The parties intend that the Offer Period will be one (1) month, but acknowledge and agree that the Offer Period may be extended by Paladin at its discretion or automatically, in accordance with the Corporations Act.

3.7 Variation

- (a) Paladin may vary the Offer in accordance with the Corporations Act.
- (b) Subject to the Corporations Act, Paladin may declare the Offers to be free from any Condition or extend the Offer Period at any time.

4. DOCUMENTATION AND RECOMMENDING DIRECTORS' RECOMMENDATION

4.1 Paladin's obligations to prepare documentation

- (a) Paladin will prepare:
 - (i) the Bidder's Statement; and
 - (ii) an acceptance form for the Offer,in each case consistent with clauses 3.2 to 3.6 and in accordance with the Corporations Act.
- (b) Paladin agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Bidder's Statement, its lodgement with ASIC and despatch to Summit Shareholders in accordance with the Timetable, subject to Summit granting any necessary consents and ASIC granting any necessary modifications.

4.2 Summit's obligations to prepare documentation

- (a) As soon as practicable and, in any event, within 3 Business Days after the date of this agreement, Summit must promptly engage the Independent Expert to prepare a report in accordance with applicable laws for inclusion in the Target's Statement on whether the Takeover Bid is fair and reasonable to Summit Shareholders (**Independent Expert's Report**). Summit must provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report.

- (b) Summit will prepare the Target's Statement in response to the Offer in accordance with the Corporations Act and ensure that the Target's Statement includes the Independent Expert's Report.
- (c) Summit agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Target's Statement, its lodgement with ASIC and despatch to Summit Shareholders in accordance with the Timetable, subject to Paladin granting any necessary consents and ASIC granting any necessary modifications.

4.3 Provision of Information

Each party agrees that it will provide to the other party and the Independent Expert such information (including Confidential Information on the terms set out in this agreement) as is reasonably required by the other party in order to enable the other party to fulfil its obligations under this agreement, including, but not limited to, the preparation of the Bidder's Statement and Target's Statement and to enable the Independent Expert to prepare and finalise the Independent Expert's Report.

4.4 Directors' intentions

Summit represents that it has been informed by:

- (a) each of the Recommending Directors that they intend to recommend the Offer to Summit Shareholders subject to there being no Superior Proposal and the Independent Expert concluding and continuing to conclude in its Independent Expert's Report that the Offer is either fair and reasonable, or not fair but reasonable; and
- [\(b\)](#) each Recommending Director will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in clause 4.4(a) unless a Superior Proposal emerges or the Independent Expert concludes in its Independent Expert's Report that the Offer is either fair and reasonable, or not fair but reasonable.

4.5 Review of Bidder's Statement and Target's Statement

Subject to there being no Superior Proposal:

- (a) Paladin agrees that it will provide a draft of its Bidder's Statement to Summit and Summit agrees that it will provide a draft of its Target's Statement to Paladin as soon as reasonably practicable; and
- (b) each party agrees to consider in good faith all reasonable and timely comments received from the other and its Advisers and make such changes to its statement as are reasonably required by the other.

4.6 Joint Despatch

Each party agrees that it will take prompt action to ensure that the Bidder's Statement and Target Statement can be mailed together to Summit Shareholders in accordance with the Timetable.

4.7 Timetable

Each party agrees to use its reasonable endeavours to comply with the Timetable.

4.8 Consent to early dispatch of Bidder's Statement

Summit agrees (by authority of its directors) that the offers and accompanying documents to be sent by Paladin under the Takeover Bid under item 6 of section 633(1) of the Corporations Act may (subject to agreement with Summit) be sent earlier than the date for sending under item 6 of section 633(1) of the Corporations Act.

5. CONDUCT OF BUSINESS

5.1 Overview

- (a) From the date of this agreement until the expiry of the Restriction Period, each party must:
 - (i) conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and
 - (ii) regularly consult with the other party on the manner of conduct of its business, including on any matters that may have an adverse impact on the integration of the businesses of Paladin and Summit following implementation of the Takeover Bid.
- (b) For the purpose of clause 5.1(a) and subject to the terms of this agreement:
 - (i) Paladin making the Offer and responding to any Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Paladin conducting its business in the ordinary and proper course; and
 - (ii) Summit responding to the Offer and responding to any potential Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Summit conducting its business in the ordinary and proper course.

5.2 Prohibited actions

Other than with Paladin's prior approval or as fairly disclosed to Paladin in writing or to the ASX before the date of this agreement, Summit must not during the Restriction Period:

- (a) **(Material Contracts):** enter into, vary, amend, modify or terminate a Material Contract;
- (b) **(employment agreements):** increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) or issue or agree to issue any securities or options to (other than the issue of any shares in connection with the exercise of options), or otherwise vary or amend the employment or consultancy agreements with, any of its directors or employees, except that this clause shall not preclude a party from making any payments

under an existing employment contract which complies with the Corporations Act and the Listing Rules and is in place as at the date of this agreement and a copy of which has previously been provided to the other party;

- (c) **(accelerate rights)**: accelerate the rights of any of its directors or employees to benefits of any kind;
- (d) **(termination payments)**: pay a director or executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement and a copy of which has previously been provided to the other party;
- (e) **(arrangements with financial advisers)**: amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this agreement;
- (f) **(financial accommodation)**: obtain or agree to obtain any financial accommodation from any party;
- (g) **(Prescribed Occurrence)**: take any action which would be reasonably expected to give rise to a Prescribed Occurrence;
- (h) **(disposal)**: offer to dispose or agree to dispose of, or create, or offer to create an equity interest in, any mineral asset (including any geological data) or a material interest in any such asset without prior consultation of the other party; or
- (i) **(agreement)**: agree to do any of the matters set out above.

6. WARRANTIES

6.1 Paladin Warranties

Paladin represents and warrants to Summit that as at the date of this agreement that, subject to the matters fairly disclosed in public filings of Paladin, provided by Paladin to Summit in writing prior to the date of this agreement or otherwise in the public domain:

- (a) each member of the Paladin Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Paladin has been properly authorised by all necessary corporate action and Paladin has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Paladin's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Paladin or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
- (d) the Paladin Shares to be offered as consideration under clause 3 will be duly authorised and validly issued, not liable to the imposition of any duty

and be free of all encumbrances, security interests and third party rights, will be fully paid and will rank equally with all other Paladin Shares;

- (e) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Paladin or its Representatives on or before the date of this agreement;
- (f) its accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
- (g) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (h) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Paladin Group that does or is reasonably likely to constitute a Paladin Material Adverse Change; and
- (i) as at the date of this agreement, Paladin has the following securities on issue:
 - (i) 1,712,843,812 Paladin Shares;
 - (ii) 14,519,000 Paladin Share Appreciation Rights, comprising:
 - (A) 4,865,000 2015 Paladin Share Appreciation Rights;
 - (B) 2,154,000 2016 Paladin Share Appreciation Rights; and
 - (C) 7,500,000 2017 Paladin Share Appreciation Rights;
 - (iii) 3,000,000 unlisted options to acquire Paladin Shares, comprising:
 - (A) 1,000,000 options exercisable at \$0.20 per option on or before 10 August 2018;
 - (B) 1,000,000 options exercisable at \$0.20 per option on or before 8 November 2018; and
 - (C) 1,000,000 options exercisable at \$0.20 per option on or before 23 December 2018; and
 - (iv) Secured Loan Notes with a total face value of USD\$115,000,000,

there are no other shares, options, notes or other securities of Paladin and no rights to be issued such shares, options, notes or other securities other than as envisaged by this agreement.

6.2 Paladin indemnity

Paladin agrees with Summit to indemnify Summit and keep Summit indemnified against all costs, damages, debts, expenses, liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 6.1.

6.3 Summit Warranties

Summit represents and warrants to Paladin as at the date of this agreement that, subject to the matters fairly disclosed in public filings of Summit, provided by Summit to Paladin in writing prior to the date of this agreement or otherwise in the public domain:

- (a) each member of the Summit Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Summit has been properly authorised by all necessary corporate action and Summit has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Summit's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Summit or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
- (d) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Paladin or its Representatives on or before the date of this agreement;
- (e) Summit Group's accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (g) except as publicly disclosed before the Announcement Date, the ownership interests of the Summit Group in the Tenements are complete and accurate in all material respects and is not misleading in any respect;
- (h) the Tenements are in good standing and Summit and its Subsidiaries are in compliance with the conditions of the Tenements and the applicable mining legislation in all material respects and, as far as Summit is aware, the Tenements are not liable to forfeiture;

- (i) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Summit Group that does or is reasonably likely to constitute a Summit Material Adverse Change; and
- (j) there are 217,981,769 Summit Shares on issue as at the date of this agreement, and there are no other shares, options, notes or other securities of Summit and no rights to be issued such shares, options, notes or other securities.

6.4 Summit indemnity

Summit agrees with Paladin to indemnify and keep Paladin indemnified against all costs, damages, debts, expenses liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 6.3.

7. TERMINATION

7.1 Termination rights

This agreement may be terminated by a party by notice to the other party:

- (a) if the other party is in material breach of this agreement and that breach is capable of being remedied and is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if Paladin withdraws the Takeover Bid as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or it lapses;
- (c) if there is a material breach of a representation or warranty contained in clause 6 by the other party;
- (d) if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid; or
- (e) if the other party or any of their Subsidiaries becomes Insolvent.

7.2 Termination by Paladin

This agreement may be terminated by Paladin by notice in writing to Summit if:

- (a) a Superior Proposal is made or publicly announced for Summit by a third party;
- (b) a Recommending Director does not recommend the Takeover Bid be accepted by Summit Shareholders or having recommended the Takeover Bid, withdraws or adversely modifies his recommendation of the Takeover Bid;
- (c) a person (other than Paladin or its Associates) has a relevant interest in more than 20% of the Summit Shares on issue (other than existing Summit Shareholders who at the date of this agreement hold a relevant interest in more than 20% of the Summit Shares on issue); or
- (d) a Summit Material Adverse Change or a Prescribed Occurrence occurs.

7.3 Termination by Summit

This agreement may be terminated by Summit by notice in writing to Paladin if:

- (a) a Paladin Material Adverse Change has occurred; or
- (b) the Independent Expert concludes in its Independent Expert's Report that the Offer is not fair and not reasonable.

7.4 Effect of termination

If this agreement is terminated by a party under this clause 7:

- (a) each party will be released from its obligations under this agreement except that clauses 1 and 6 to 12 will continue to apply;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

8. ANNOUNCEMENT OF TAKEOVER BID

8.1 Public announcement of Takeover Bid

Immediately after signing this agreement, the parties must procure the issue to ASX of a joint announcement in the form agreed between the Parties.

8.2 Required disclosure

Subject always to its continuous disclosure obligations under the ASX Listing Rules and applicable laws, where a party is required by law or the Listing Rules to make any announcement or make any disclosure relating to a matter the subject of the Takeover Bid, it must use best endeavours to give the other party as much notice as reasonably practicable having regard to its disclosure obligations and consult with the other party to the extent reasonably practicable having regard to its disclosure obligations.

8.3 Other announcements

Subject to clause 8.1 and 8.2 and its continuous disclosure obligations under the ASX Listing Rules and applicable laws, no party may make any public announcement or disclosure in connection with the Takeover Bid (including disclosure to a Regulatory Authority) unless it has used best endeavours to obtain the approval of the form of the disclosure by the other party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

9. CONFIDENTIAL INFORMATION OBLIGATIONS

9.1 Disclosure of Paladin Confidential Information

No Paladin Confidential Information may be disclosed by Summit to any person except:

- (a) Representatives of Summit or its Related Bodies Corporate requiring the information for the purposes of this agreement;
- (b) with the written consent of Paladin;
- (c) if Summit is required to do so by law or by the Listing Rules; or
- (d) if Summit is required to do so in connection with legal proceedings relating to this agreement.

9.2 Use of Paladin's Confidential Information

Summit must use Paladin's Confidential Information exclusively for the purpose of considering the Takeover Bid, any Competing Transaction and preparing the Target's Statement and for no other purpose (and must not make any use of any Paladin's Confidential Information to the competitive disadvantage of Paladin or any of its Related Bodies Corporate).

9.3 Disclosure of Summit Confidential Information

No Summit Confidential Information may be disclosed by Paladin to any person except:

- (a) Representatives of Paladin requiring the information for the purposes of this agreement;
- (b) with the written consent of Summit;
- (c) if Paladin is required to do so by law or by the Listing Rules; or
- (d) if Paladin is required to do so in connection with legal proceedings relating to this agreement.

9.4 Use of Summit Confidential Information

Paladin must use the Summit Confidential Information exclusively for the purpose of preparing the Bidder's Statement and for no other purpose (and must not make any use of any Summit Confidential Information to the competitive disadvantage of Summit or any of its Subsidiaries).

9.5 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 9.1(a) or 9.1(b) or 9.3(a) or 9.3(b) must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 9.1 or 9.3.

9.6 Excluded Information

Clauses 9.1 to 9.5 (inclusive) do not apply to the Excluded Information.

9.7 Return of Confidential Information

A party who has received Confidential Information from another under this agreement must, on the request of the other party, immediately deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 9.1 (a) or 9.1 (b) or 9.3(a) or 9.3(b).

9.8 Termination

This clause 9 will survive termination (for whatever reason) of this agreement.

9.9 Termination of existing Confidentiality Agreement

The terms of this clause 9 supersede and replace the obligations of confidentiality set out in the Confidentiality Agreement which is terminated upon execution of this agreement.

10. NOTICES AND OTHER COMMUNICATIONS

10.1 Requirements for notices

Each notice authorised or required to be given to a Party shall be in legible writing and in English addressed to the Party's address set out in clause 10.2 (or such other address nominated in accordance with clause 10.3).

10.2 Details

The initial address of the Parties shall be as follows:

Party	Address	Attention	Facsimile	E-mail
Paladin	Level 4 502 Hay Street Subiaco WA 6008	Andrew Mirco	+61 8 9381 4978	andrew.mirco@paladinenergy.com.au
Summit	Level 4 502 Hay Street Subiaco WA 6008	Andrea Betti	+61 8 6188 8182	ABetti@consiliumcorp.com.au

With a copy of communications to Paladin to Peter Wall (E-mail: pwall@steinpag.com.au), and a copy of communications to Summit (for information purposes only) to Deanna Carpenter (E-mail: dc@bellanhouse.com).

10.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 10.1 to the other Parties.

10.4 Receipt of notice

Any notice given pursuant to this clause 10 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or

- (c) if sent by facsimile, when a facsimile confirmation receipt is received indicating successful delivery; or
- (d) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

11. GOODS AND SERVICES TAX (GST)

11.1 Consideration does not include GST

The consideration specified in this agreement does not include any amount for GST.

11.2 Recovery of GST

If a supply under this agreement is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.

11.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a Tax Invoice.

11.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

11.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this agreement, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

11.6 Survival

This clause 11 will survive termination of this agreement.

12. MISCELLANEOUS

12.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

12.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

12.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

12.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

12.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

12.6 Remedies cumulative

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.

12.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

12.8 No merger

The warranties, undertakings and indemnities in this agreement do not merge on completion of any transaction contemplated by this agreement.

12.9 Indemnities

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

12.10 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

12.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

12.12 Costs

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

12.13 Duty

Paladin agrees to pay all duty (including fines and penalties) payable and assessed on this agreement or in respect of a transaction evidenced by this agreement.

12.14 Assignment

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the prior written consent of the other party.

12.15 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement;
- (b) it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement; and
- (c) clauses 12.15(a) and 12.15(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

12.16 Governing law

This agreement is governed by and is to be construed according to the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of the courts of Western Australia.

12.17 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

12.18 Knowledge and belief

Any statement made by a party on the basis of its knowledge, information, belief or awareness, is made on the basis that the party has, in order to establish that the statement is accurate and not misleading in any material respect, made all reasonable enquiries of its officers, managers and employees who could

reasonably be expected to have information relevant to matters to which the statement relates.

SCHEDULE 1 – TIMETABLE

Event	Key Date
Announcement of the Offer	1 August 2018
Expected date of lodgement of Bidder's Statement and Target's Statement with ASIC and ASX	11 September 2018
Expected date of despatch of Bidder's Statement and Target's Statement to Summit shareholders	13 September 2018
Expected Offer open date	13 September 2018
Expected Offer close date (unless extended in accordance with the Corporations Act)	5 pm (Perth time) on 12 October 2018

SCHEDULE 2 – CONDITIONS TO THE OFFER

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

1. **(Minimum acceptance condition):** at the end of the Offer Period, Paladin and its Associates have a Relevant Interest in:
 - (a) more than 90% (by number) of all of the Summit Shares; and
 - (b) least 75% (by number) of the Summit Shares that Paladin offered to acquire under the Takeover Bid.
2. **(no Summit Material Adverse Changes):** there not occurring a Summit Material Adverse Change during the Offer Period.
3. **(no Prescribed Occurrences):** there not occurring a Prescribed Occurrence during the Offer Period.
4. **(no material litigation)** before the end of the Offer Period, no member of the Summit Group has, without the written consent of Paladin has threatened or commenced against it any material claims or proceeding in any court or tribunal.

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Paladin to rescind any contracts resulting from acceptance of the Offer.

SCHEDULE 3 – PRESCRIBED OCCURRENCES

1. **(Conversion)**: Summit or any Subsidiary converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital)**: Summit or any Subsidiary resolves to reduce its share capital in any way or reclassifies, combines, splits, redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back)**: Summit or any Subsidiary:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Issuing or granting shares or options)**: Summit or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,

without the prior written consent of Paladin, such consent not to be unreasonably withheld, other than the issue of any Summit Shares or options whose issue or grant was fairly disclosed to Paladin prior to the date of this agreement.
5. **(Securities or other instruments)**: Summit or any of its Subsidiaries issues or agrees to issue securities or other instruments convertible into Summit Shares, shares in a Subsidiary of Summit or debt securities as fairly disclosed to Paladin before the date of this agreement prior to the date of this agreement.
6. **(Constitution)**: Summit or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it.
7. **(Disposals)**: Summit or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Summit Group's business or property.
8. **(Financial Indebtedness)**: Summit or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business.
9. **(Acquisitions, disposals or tenders)**: other than in the ordinary course of business and consistent with past practice, Summit or any of its Subsidiaries disposes of, acquires or agrees to dispose of or acquire, or creates or agrees to create an equity interest in respect of any assets (including, without limitation, under any off-take, joint venture or similar deed), properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Summit Group, whether in one or more transactions, where the amounts or value involved in such transaction or transactions, commitments or series of commitments exceeds \$100,000 in aggregate.
10. **(Encumbrances)**: other than in the ordinary course of business and consistent with past practice Summit or any of its Subsidiaries creates, or agrees to create, any Encumbrance over any part of its business or property.

11. **(Employment arrangements):** other than in the ordinary course of business and consistent with past practice Summit or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (including under any Summit executive or employee share plans); or
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this agreement).
12. **(Commitments and settlements):** other than in the ordinary course of business and consistent with past practice Summit or any of its Subsidiaries without the prior written approval of Paladin (not to be unreasonably withheld) and for the avoidance of doubt, excluding any expense incurred in connection with the Takeover Bid):
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$50,000 over the term of the contract or commitment;
 - (b) terminates or amends in a material manner any contract material to the conduct of the Summit Group's business or which involves revenue or expenditure of more than \$50,000 over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepting as a settlement or compromise of a material matter (relating to an amount in excess of \$50,000 less than the full compensation due to Summit or a Subsidiary of Summit.
13. **(Insolvency):** Summit or any of its Subsidiaries becomes Insolvent.
14. **(Unusual contracts):** any member of the Summit Group enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
- (a) change the nature of the business conducted by the Summit Group; or
 - (b) have a material adverse impact on the business conducted by the Summit Group.
15. **(Agreements):** any member of the Summit Group agrees or announces an intention to take any of the actions referred to in paragraphs 1 to 14.

The Parties agree that a Prescribed Occurrence will not include any matter:

- (a) required or permitted to be done or procured by Summit under this agreement or which is otherwise contemplated by this agreement;
- (b) required to be done as a result of the Takeover Bid;
- (c) required to be done by the Summit Board in order to comply with the fiduciary or statutory duties of its directors;

- (d) directly resulting from any actions taken (or omitted to be taken) following a written request from Paladin or with Paladin's prior written consent; or
- (e) approved in writing by Paladin.

EXECUTED by the Parties as an agreement.

EXECUTED by PALADIN ENERGY LTD)
ACN 061 681 098)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

[Signed "Rick Crabb"]
Signature of director

[Signed "David Riekie"]
Signature of director

[Rick Crabb]
Name of director

[David Riekie]
Name of director

EXECUTED by)
SUMMIT RESOURCES LIMITED)
ACN 009 474 775)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

[Signed "Malcolm Randall"]
Signature of director

[Signed "David Berrie"]
Signature of director

[Malcolm Randall]
Name of director

[David Berrie]
Name of director