



PALADIN ENERGY LTD

ACN 061 681 098

1 August 2018

RECOMMENDED TAKEOVER OFFER OF SUMMIT RESOURCES

HIGHLIGHTS:

- **Paladin announces an off-market takeover offer for the shares in Summit it does not presently own**
- **Consideration of one (1) new Paladin share for every one (1) Summit share held**
- **Paladin currently holds 82.08% of the ordinary shares in Summit**
- **If successful, Offer would result in approximately 39.1M new Paladin shares being issued to third-party shareholders representing approximately 2.28% of Paladin's shares outstanding**
- **The Offer consideration is final and will not be increased¹**
- **Summit's Independent Directors unanimously recommend the Offer (in the absence of a superior offer and subject to the independent expert not concluding that the Offer is not fair and not reasonable**
- **The Offer is being made in line with Paladin's continued cost optimisation initiatives – If the Offer succeeds, will result in reduced compliance and regulatory costs associated with having a Paladin majority-owned subsidiary separately listed**
- **Paladin encourages Summit third-party shareholders to accept in light of the opportunity to exchange for shares in Paladin, a larger, more comprehensive, more liquid uranium company**

Paladin Energy Limited (**Paladin** or the **Company**) (ASX:PDN) announces the execution of a Bid Implementation Agreement (**BIA**) under which it is proposed that Paladin will acquire all of the issued shares of Summit Resources Limited (**Summit**) (ASX:SMM) that it does not presently own, on a scrip for scrip basis by way of a recommended off-market conditional takeover offer (**Offer**). The BIA will be released to the ASX at the same time as this announcement.

Under the Offer, third-party Summit shareholders will receive one new Paladin share for every one Summit share held. Based on Paladin's closing share price of A\$0.20 on the ASX on 31 July 2018, the offer values each Summit share at A\$0.20.

The Offer is unanimously recommended by the independent directors of Summit who have also agreed to accept Paladin's Offer in respect of all shares they control, in each case in the absence of a superior offer and subject to the independent expert not concluding that the Offer is not fair and not reasonable.

¹ In the absence of a competing proposal

Summit has engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report on whether the Offer is fair and reasonable to shareholders (**IER**). The IER will be provided to Summit shareholders with the Target's Statement.

Strategic Rationale for the Transaction

Paladin makes the Offer for Summit in line with its continued cost optimisation initiatives. The Company already owns 82.08% of Summit and by purchasing the shares owned by third-party shareholders and de-listing Summit, cost savings can be achieved in the areas of compliance and regulatory costs.

Paladin believes Summit's third-party shareholders will benefit from accepting the offer in that they will exchange their Summit shares into shares in the Company providing them ownership of a larger, more comprehensive and more liquid uranium entity. Furthermore, Paladin believes Summit on a standalone basis carries funding risk given its limited available cash and uncertainty as to how it may fund its operations going forward.

Transaction Details

The Offer will be implemented by way of an off market takeover offer under the Australian Corporations Act. Paladin will offer one new Paladin share for every one Summit share.

The Offer is subject to the satisfaction or waiver of the conditions in Schedule 2 of the BIA, and which are summarised below:

- Paladin acquiring a relevant interest in more than 90% of all Summit shares on issue, and at least 75% of the Summit shares that Paladin is offering to acquire under the Offer;
- no material adverse change (as defined in the BIA) occurring in relation to Summit during the offer period;
- no prescribed occurrence (as defined in the BIA) occurring in relation to Summit during the offer period; and
- no material litigation being threatened or commenced against Summit during the offer period

Each of the conditions can be waived in Paladin's sole discretion.

The BIA sets out the terms of the Offer in full. Further details of the Offer will also be included in the Bidder's Statement and Target's Statement that will be despatched to Summit shareholders shortly.

Under the indicative timetable, the Offer is expected to close at 5pm (Perth time) on 12 October 2018 (unless extended in accordance with the Corporations Act).

Intentions of other significant shareholders

Paladin is Summit's largest shareholder with an existing interest of 82.08% of the Summit shares on issue.

The beneficial owners of Summit shares representing 14.81% of Summit shares on issue have indicated their intention to instruct their respective custodians who hold their Summit shares to accept the Offer in full no earlier than 21 days after commencement of the Offer period in the absence of a superior proposal and the Independent Expert not concluding that the Offer is not fair and not reasonable (**Shareholder Intention Statements**).

Signed Shareholder Intention Statements have been received by the following beneficial owners of Summit shares:

- 22,109,045 shares beneficially owned by Orano Cycle (held through BNP Paribas Nominees Pty Ltd as custodian) which equates to voting power of approximately 10.14%; and
- 10,189,249 shares held by Revelation Special Situations Fund Ltd (held through Citicorp Nominees Pty Limited as custodian) which equates to voting power of 4.67%.

The Orano Cycle Shareholder Intention Statement is also subject to there being no Paladin Material Adverse Change (as that term is defined in the BIA).

Indicative 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)	5pm (Perth time) on 12 October 2018

Advisers

Steinepreis Paganin is acting as Australian legal adviser to Paladin.

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For further information please contact:

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Further information about the companies is available on Paladin's and Summit's websites (see www.paladinenergy.com.au and www.summitresources.com.au).

About Paladin

Paladin is a uranium production company with projects currently in Australia and Canada, and two mines in Africa (both of which are currently on care and maintenance or in the process of being put on care and maintenance). Since 1998, during a period of sustained downturn in global uranium markets, Paladin accumulated a quality portfolio of advanced uranium projects. 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.

About Summit

Summit is an Australian based uranium exploration company. Summit's main project is 'Isa North', which covers approximately 935km² and hosts a number of uranium prospects including the Valhalla, Skal and Bikini deposits. These deposits and multiple small prospects in the Mount Isa region of northwest Queensland are the principal focus of the Company's operations and are located 15km east and 65km north of the town of Mount Isa.

Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Paladin and Summit and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Paladin or Summit is no guarantee of future performance.

None of Paladin, Summit, or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.