

THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION.

Bidder's Statement

IN RELATION TO A RECOMMENDED OFFER BY

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

TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN

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

The Recommending Directors of Summit Resources
unanimously recommend you

ACCEPT THE OFFER

**OF ONE PALADIN SHARE FOR EVERY ONE SUMMIT SHARE
YOU OWN IN THE ABSENCE OF A SUPERIOR PROPOSAL.**

**THE OFFER IS DATED 12 SEPTEMBER 2018 AND WILL CLOSE AT 5:00PM (PERTH
TIME) ON 19 OCTOBER 2018, UNLESS EXTENDED OR WITHDRAWN.**

**TO ACCEPT PALADIN'S OFFER, SIMPLY COMPLETE THE ENCLOSED ACCEPTANCE
FORM AND RETURN IT IN THE ENVELOPE PROVIDED.**

LEGAL ADVISER

STEINPREIS PAGANIN
Lawyers & Consultants 

IMPORTANT INFORMATION

Bidder's Statement

This document is a bidder's statement dated 11 September 2018 issued by Paladin Energy Ltd (ACN 061 681 098) (**Paladin**) under Part 6.5 of the Corporations Act in relation to an off-market offer by Paladin to acquire all of the Shares on issue in Summit Resources Limited (ACN 009 474 775) (**Summit**) and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 11 September 2018. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

As announced on ASX on 4 January 2018, Paladin was granted relief pursuant to section 340(1) of the Corporations Act to defer certain of its financial reporting obligations under Part 2M.3 of the Corporations Act. This relief allowed Paladin additional time to finalise and publish its audited financial statements for the financial year ended 30 June 2017 (lodged on ASX on 31 January 2018). Accordingly, Paladin is not able to rely on the special prospectus content rules for continuously quoted securities under section 713 of the Corporations Act, and this Bidder's Statement must contain all information required by sections 710 – 712 of the Corporations Act.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 12, words and phrases in this Bidder's Statement have the same meaning as in the Corporations Act.

Investments risks

There are a number of risks that may have a material impact on the value of the Offer, the future performance of the Merged Entity and the value of Paladin Shares. These are described in Section 9.

Foreign jurisdictions

Summit Shareholders should note that the consideration under the Offer involves the issue of Paladin Shares. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries.

Subject to the paragraphs below, Summit Shareholders who are citizens or residents of a jurisdiction other than, or whose addresses

in Summit's register of Shareholders is a place outside Australia or its external territories, and New Zealand will not be entitled to receive Paladin Shares on acceptance of the Offer (unless Paladin determines otherwise). Instead, those Ineligible Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with Section 10.13. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any Paladin Shares referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such Paladin Shares would be unlawful.

In particular, Paladin Shares have not been, and will not be, registered under the *Securities Act 1933* of the United States of America (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

The information in this Bidder's Statement has been prepared to comply with the applicable requirements of the securities laws of Australia.

This Offer does not, and does not intend to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Bidder's Statement.

No action has been taken to register or qualify the Offer, or the Paladin Shares, or otherwise permit a public offering of the Paladin Shares, in any jurisdiction outside of Australia.

New Zealand

This Bidder's Statement is not a New Zealand product disclosure statement or other similar offering or disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other relevant New Zealand law. The offer of Paladin Shares under the Offer is being made to existing Summit Shareholders with registered addresses in New Zealand in reliance upon an exemption from the relevant New Zealand securities regime, and, accordingly, this Bidder's Statement may not contain all the information that a product

disclosure statement under New Zealand law is required to contain.

Disclaimer as to forward looking statements

This Bidder's Statement includes forward-looking statements that have been based on Paladin's current expectations and predictions about future events including Paladin's intentions (which include those set out in Section 7). These forward-looking statements are, however, only predictions and are subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Paladin, Summit and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 9.

None of Paladin, its officers, employees or any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statements, 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 these statements.

Value of Paladin Shares

As you are being offered Paladin Shares as consideration for your Summit Shares, the implied value of the Offer will vary with the market price of Paladin Shares. Further information on the implied value of the Offer is contained in this document.

In addition, all references to the implied value of the Offer are subject to the effects of rounding.

Disclaimer as to Summit and Paladin information

The information on Summit and Summit's securities contained in this Bidder's Statement has been prepared by Paladin using only publicly available information.

The information in this Bidder's Statement concerning Summit and the assets and liabilities, financial position and performance, profits and losses and prospects of Summit has not been independently verified by Paladin.

Accordingly, Paladin does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Paladin Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Summit, has also been prepared using publicly available information. Accordingly, information in relation to the Paladin Group is subject to the foregoing disclaimer to that extent. Further information relating to Summit's business may be included in Summit's Target's Statement which Summit must provide to its shareholders in response to this Bidder's Statement.

Investment advice

This Bidder's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of each Summit Shareholder (or any other person). Accordingly, you are encouraged to seek your own professional advice before making a decision as to whether or not to accept the Offer.

Privacy

Paladin has collected your information from the registers of Summit for the purposes of making the Offer and administering, if accepted, your acceptance of the Offer. Paladin and its share registry may use your personal information in the course of making and implementing the Offer. Paladin and its share registry may also disclose your personal information to their Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Paladin, please contact Paladin at the address set out in the Key Contacts Section.

Internet sites

Paladin and Summit each maintain internet sites. The URL location for Paladin is www.paladinenergy.com.au and for Summit is www.summitresources.com.au. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement is for information purposes only.

Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Paladin's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may

materially differ from those estimates or assumptions.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to:

- "Australian dollars", "AUD", "\$" or "cents" are to the lawful currency of Australia; and
- "US dollars", "USD" or "US\$" are to the lawful currency of the United States of America.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be

converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Paladin or Summit in respect of which different exchange rates may have been, or may be, used.

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

Queries

You should contact professional financial advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Offer, please contact Paladin on +61 (08) 9381 4366 or your professional financial advisor.

CHAIRMAN'S LETTER

11 September 2018

Dear Summit Shareholders,

RECOMMENDED OFF-MARKET TAKEOVER BID FOR SUMMIT RESOURCES LIMITED

On 1 August 2018, Paladin Energy Limited (**Paladin**) announced its intention to make an off-market takeover offer for all the shares in Summit Resources Limited (**Summit**) that Paladin does not already own. On behalf of the Directors of Paladin, I am pleased to provide you with this Bidder's Statement detailing Paladin's offer to acquire your Summit Shares.

By accepting Paladin's offer you will, subject to the terms and conditions of the offer, receive one Paladin Share for every one Summit Share you hold (**Offer**). These terms and conditions of the Offer are explained further in Annexure A.

The Recommending Directors 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.¹

As at the date of this Bidder's Statement, Paladin is not aware of any Superior Proposal having been received by Summit and Summit has not made Paladin aware of any party having made an intention to make such a proposal.

The implied value of Summit under the Offer as at last closing share price prior to the Announcement Date was approximately \$43.6 million or 20 cents per Summit Share (based on the closing price for Paladin Shares of 20 cents on that date).

Based on Paladin's closing price of 18 cents on 6 September 2018 (being the last practicable trading date prior to finalisation of this Bidder's Statement), the implied value for Summit is approximately \$39.2 million or 18 cents per Summit Share.

Paladin believes Summit's third-party shareholders will benefit from accepting the offer in that they will exchange their Summit shares into shares in Paladin providing them ownership of a larger uranium entity with several projects around the World and significantly more liquidity in trading of its shares. See Section 3 for a detailed overview of Paladin.

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.

The other two major Summit Shareholders, holding in aggregate approximately 14.81% of Summit Shares, have conditionally indicated that they intend to accept the Offer. Both intention statements are expressed as conditional on no Superior Proposal emerging and the Independent Expert not concluding that the Offer is not fair and not reasonable. The intention statement of one of the Summit Shareholders (holding approximately 10.14% of Summit Shares) is also conditional on no material adverse change occurring in respect of Paladin). A list of the Summit Shareholders that have indicated that they intend to

¹ The Recommending Directors are all of the Summit Directors as at the date of the Bidder's Statement other than Craig Barnes, who is also an employee of Paladin and therefore abstained from making a recommendation in relation to the Offer or participating in Summit's consideration of the Offer.

accept the Offer and the conditions of their intention statements is set out in Section 10.6.

If Paladin acquires at least 75% of all Summit Shares which it offers to acquire under the Offer, it intends to make Summit a wholly-owned subsidiary and de-list it from the ASX.

I encourage you to read this important document carefully, including the risk factors set out in Section 9. The Offer is open for your acceptance until 5:00pm (Perth time) on 19 October 2018, unless extended. If you wish to accept the Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the recommended Offer, please contact Paladin on +61 (08) 9381 4366, or your professional financial advisor.

Yours sincerely



Mr Rick Crabb
Non-Executive Chairman
PALADIN ENERGY LTD

KEY DATES*

Announcement of Offer	1 August 2018
Date of this Bidder's Statement	11 September 2018
Date this Bidder's Statement is lodged with ASIC	11 September 2018
Date Offer opens	12 September 2018
Offer Closes (unless otherwise extended)	5:00pm (Perth time) on 19 October 2018

*All dates and times are subject to change in accordance with applicable regulatory requirements.

KEY CONTACTS

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Current Directors and CEO

Rick Crabb – Non-Executive Chairman
Scott Sullivan – Chief Executive Officer
David Riekie – Non-Executive Director
Daniel Harris – Non-Executive Director
John Hodder – Non-Executive Director

Company Secretary

Ranko Matic

Andrea Betti

ASX Code: PDN

Website

www.paladinenergy.com.au

Legal advisers

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Sale Nominee*

Euroz Securities Limited
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58 Mounts Bay Road
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* This person or entity has not been involved in the preparation of this Bidder's Statement. Its name is included for information purposes only.

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1. WHY YOU SHOULD ACCEPT THE OFFER

Paladin believes you should accept the Offer for the following reasons.

1. **Unanimous recommendation from Summit's Recommending Directors**
2. **Opportunity to exchange Summit Shares for shares in Paladin, a larger uranium entity with several projects around the World and significantly more liquidity in trading of its shares**
3. **Support from major Summit Shareholders**
4. **No Superior Proposal**
5. **Potential eligibility for capital gains tax relief in Australia**
6. **No duty or brokerage**

The above is only a headline summary of some of the reasons why you should accept the Offer. Each of the reasons is explained in detail below.

If you wish to accept this Offer, you must return the signed Acceptance Form by **5:00pm (Perth time) on 19 October 2018** (unless the Offer is extended or withdrawn).

Paladin believes you should accept the Offer for the following reasons.

1.1 Unanimous recommendation from Summit's Recommending Directors

The Recommending Directors of Summit have unanimously recommended 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.²

Each Summit Director who holds Summit Shares intends to accept, or procure the acceptance of, the Offer in respect of any Summit Shares that they own or control.

If you are an Eligible Shareholder and you accept the Offer made to you and that Offer becomes or is declared unconditional or the Conditions are satisfied or waived, you will receive the Offer Consideration, being one Paladin Share for every one Summit Share you hold.

As at the date of this Bidder's Statement, Paladin is not aware of any Superior Proposal having been received by Summit and Summit has not made Paladin aware of any party having made an intention to make such a proposal.

The implied value of Summit under the Offer as at last closing share price prior to the Announcement Date was approximately \$43.6 million or 20 cents per Summit Share (based on the closing price for Paladin Shares of 20 cents on that date).

²The Recommending Directors are all of the Summit Directors as at the date of the Bidder's Statement other than Craig Barnes, who is also an employee of Paladin and therefore abstained from making a recommendation in relation to the Offer or participating in Summit's consideration of the Offer.

Based on Paladin's closing price of 18 cents on 6 September 2018 (being the last practicable trading date prior to finalisation of this Bidder's Statement), the implied value for Summit is approximately \$39.2 million or 18 cents per Summit Share.

1.2 Opportunity to exchange Summit Shares for shares in Paladin, a larger, more comprehensive, more liquid uranium company

Paladin believes Summit's third-party shareholders will benefit from accepting the offer in that they will exchange their Summit shares into shares in Paladin providing them ownership of a larger uranium entity with several projects around the World and significantly more liquidity in trading of its shares. See Section 3 for a detailed overview of Paladin.

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.

1.3 Support from major Summit Shareholders

The other two major Summit Shareholders, holding in aggregate approximately 14.81% of Summit Shares, have conditionally indicated that they intend to accept the Offer. Both intention statements are expressed as conditional on no Superior Proposal emerging and the Independent Expert not concluding that the Offer is not fair and not reasonable.

The intention statement of one of the Summit Shareholders (holding approximately 10.14% of Summit Shares) is also conditional on no material adverse change occurring in respect of Paladin).

A list of the Summit Shareholders that have indicated that they intend to accept the Offer and the conditions of their intention statements is set out in Section 10.6.

1.4 No Superior Proposal

The Offer is the only offer available for your Summit Shares as at the date of this Bidder's Statement. Paladin is not aware of any other party intending to make an offer for Summit Shares which is superior to the Offer and Summit has not made Paladin aware of any party having made an intention to make such a proposal.

1.5 Potential eligibility for capital gains tax relief in Australia

Eligible Shareholders may be entitled to scrip for scrip relief from capital gains tax on the Paladin Shares they receive under the Offer.

A summary of the general Australian income tax, stamp duty and GST consequences for Eligible Shareholders who participate in the Offer is set out in Section 8 (Taxation implications). However, Eligible Shareholders should not rely on the summary in Section 8 in substitution for specific advice on their own affairs.

1.6 No duty or brokerage

If your Summit Shares are registered in an Issuer Sponsored Holding in your name and you deliver a duly executed Acceptance Form to Paladin, you will not incur any brokerage in connection with your acceptance of the Offer.

If your Summit Shares are registered in a CHES Holding, or if you are a beneficial owner whose Summit Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, brokerage will be payable in respect of the Paladin Shares sold by the Sale Nominee and these costs will be deducted from the proceeds of sale that will be provided to you.

2. INVESTMENT OVERVIEW

The information in this Section is intended to provide an overview of Paladin, the Offer that Paladin is making for your Summit Shares and the risks you should consider.

The information in this Section 2 is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement in its entirety and the separate Target's Statement from Summit before deciding how to deal with your Summit Shares. The detailed terms of the Offer are set out in Annexure A.

The information in this Section 2 is set out by way of response to a series of questions. Each answer has, where appropriate, cross-references to other questions in this summary and other parts of this Bidder's Statement, including the Annexures that contain more information that you might find useful or relevant.

Part A of this Investment Overview deals with the Offer. **Part B** deals with Paladin, its business and assets and Paladin securities. **Part C** deals with risks relating to the Offer. **Part D** deals with other relevant questions.

If you have any questions about the Offer, please contact Paladin on +61 (08) 9381 4366.

PART A – OVERVIEW OF THE OFFER

No.	Question	Answer	Further Information
1.	What is Paladin offering to buy?	Paladin is offering to buy all Summit Shares that it does not already own on the terms set out in this Bidder's Statement. You may only accept the Offer in respect of all (but not some) of the Summit Shares held by you.	Annexure A contains the full terms of the Offer and the Conditions. The answers to questions 4 to 7 in Part A and in Parts C and D explain other aspects of the Offer.
2.	What choices do I have?	The Recommending Directors of Summit recommend that you 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 ³ , however, you have the choice to: (a) ACCEPT the Offer for all of your Summit Shares in accordance with the Acceptance Form; (b) sell your Summit Shares, which may be at a higher or lower price than the Offer Consideration; or (c) do nothing if you wish to reject the	

³ The Recommending Directors are all of the Summit Directors as at the date of the Bidder's Statement other than Craig Barnes, who is also an employee of Paladin and therefore abstained from making a recommendation in relation to the Offer or participating in Summit's consideration of the Offer.

No.	Question	Answer	Further Information
		Offer.	
3.	How do I accept the Offer?	<p>You may accept the Offer by completing the Acceptance Form in accordance with the instructions on it and returning it to an address on the Acceptance Form.</p> <p>The Acceptance Form will only give rise to a valid acceptance if it is received in sufficient time to be processed before the end of the Offer Period (which for CHES Holdings, means sufficient time to enable Paladin to instruct your Controlling Participant to initiate acceptance on your behalf).</p>	Sections 4 and 5 of Annexure A provide further information on how to accept the Offer.
4.	How long will the Offer remain open?	<p>The Offer opens on 12 September 2018. Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5:00pm (Perth time) on 19 October 2018.</p>	The Key Dates Section provides an indicative timetable for the Offer.
5.	What will you receive if you accept the Offer?	<p>If you are an Eligible Shareholder (being a Summit Shareholder as at the Record Date who is not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder) and accept the Offer, subject to satisfaction or waiver of the Conditions, you will be issued one Paladin Share for every one Summit Share held by you on the Record Date.</p> <p>If you accept the Offer and you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, you will not be entitled to receive Paladin Shares as consideration for your Summit Shares. In these circumstances, the Paladin Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those Paladin Shares on your behalf and remit the net proceeds to you in Australian dollars. As at the date of this Bidder's Statement, Paladin proposes to appoint Euroz Securities Limited (AFSL: 243302) as the Sale Nominee, subject to ASIC approval.</p>	<p>Annexure A contains full terms of the Offer and the Conditions.</p> <p>Sections 10.13 and 10.15 and Section 8 of Annexure A provide further information.</p>
6.	Why should I accept the Offer?	<p>Paladin believes there are a number of reasons Summit Shareholders should accept the Offer, which are set out in Section 1. Paladin believes Summit's third-party shareholders will benefit from accepting the offer in that they will exchange their Summit shares into shares in Paladin providing them ownership of a larger uranium entity with several projects around the World and significantly more liquidity in trading of its shares. Furthermore, Paladin believes Summit on a standalone basis carries funding risk</p>	Section 1 provides further information in respect of the highlights of the Offer.

No.	Question	Answer	Further Information
		given its limited available cash and uncertainty as to how it may fund its operations going forward.	
7.	What is the value of the Offer?	<p>The implied value of Summit under the Offer as at last closing share price prior to the Announcement Date was approximately \$43.6 million or 20 cents per Summit Share (based on the closing price for Paladin Shares of 20 cents on that date).</p> <p>Based on Paladin's closing price of 18 cents on 6 September 2018 (being the last practicable trading date prior to finalisation of this Bidder's Statement), the implied value for Summit is approximately \$39.2 million or 18 cents per Summit Share.</p> <p>The value of the Offer may change as a consequence of changes in the market price of Paladin Shares on ASX.</p>	<p>The answers to questions in Parts B and C of this Section 2 contain more information about Paladin, its business and assets and the risks that may apply to a shareholding in Paladin.</p> <p>Section 1 sets out the reasons Paladin believes you should accept the Offer.</p>

PART B – OVERVIEW OF PALADIN

No.	Question	Answer	Further Information
1.	Who is Paladin?	<p>Paladin is a uranium mining and exploration company with a strategic portfolio of developed mines and projects, including two mines in Africa available for re-start.</p> <p>Paladin is an Australian incorporated company with a primary listing on the Official List of the ASX (ASX Code: PDN).</p> <p>Paladin also has secondary listings on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe and the Namibian Stock Exchange in Africa.</p>	Sections 3, 7 and 9 contain more information about Paladin's assets, financial position, details of Paladin securities currently on issue and the risks that may apply to Paladin.
2.	Will my new Paladin Shares be listed on ASX?	<p>Within seven days of the date of this Bidder's Statement, Paladin will apply to the ASX for quotation of the new Paladin Shares on the ASX. Quotation of the new Paladin Shares depends on ASX exercising its discretion to admit them to quotation on ASX. Paladin is already admitted to the Official List of ASX and Paladin Shares in the same class as the new Paladin Shares being offered are already quoted.</p>	Section 3.18 contains more information in relation to the admission of the Paladin Shares to the Official List of ASX.
3.	What rights and liabilities will attach to my new Paladin Shares?	<p>The new Paladin Shares issued under the Offer will be issued fully paid and will from the time of issue rank equally with existing Paladin Shares.</p>	Section 3.19 contains more information about the rights and liabilities attaching to Paladin Shares.

No.	Question	Answer	Further Information
4.	Who are the Paladin Directors and CEO and what experience do they have?	<p>The Directors of Paladin are:</p> <p>(a) Rick Crabb – Non-Executive Chairman;</p> <p>(b) John Hodder – Non-Executive Director;</p> <p>(c) David Riekie – Non-Executive Director; and</p> <p>(d) Daniel Harris – Non-Executive Director.</p> <p>The Chief Executive Officer of Paladin is Scott Sullivan. Mr Sullivan is not a Director of Paladin.</p>	Section 3.3 contains further information in relation to the expertise of the Paladin Directors and CEO.
5.	Do the Paladin Directors and CEO have any potential conflicts of interest in relation to the Offer or Summit?	None of the Paladin Directors have an interest in Summit securities.	Sections 10.10 and 10.11 contains further information in relation to the Offer and the shareholdings Paladin Directors have in Summit and their potential conflicts of interest.
6.	Do the Paladin Directors have any interest in Paladin securities?	<p>The Paladin Directors (and their Associates) currently have the following interests in Paladin securities:</p> <p>(a) Rick Crabb: 119,630 Paladin Shares; and</p> <p>(b) John Hodder: 223,589,744 Paladin Shares (as a co-founding principal of Tembo Capital Management Ltd).</p>	Section 10.11 contains further information.

PART C – OVERVIEW OF RISKS

No.	Question	Answer	Further information
1.	Are there risks if I accept the Offer?	<p>Yes, if you are an Eligible Shareholder, you accept the Offer, and it becomes unconditional or the Conditions are satisfied or waived, you will be issued new Paladin Shares and Paladin will acquire your Summit Shares. There are risks in holding Paladin Shares.</p> <p>You are already exposed to some of these risks, to varying degrees, as a result of you holding Summit Shares.</p> <p>Section 9 provides a summary of these risks. Specifically, it deals with:</p> <p>(a) risks relating to the Offer;</p> <p>(b) risks that relate to Paladin and Summit (to which you are already exposed) as the Merged Entity; and</p> <p>(c) general and industry risks (to which you are already exposed).</p>	See Section 9 which contains further details in respect of each of the risks.

No.	Question	Answer	Further information
2.	Are there any risks in respect of the Offer not proceeding?	If the Offer does not proceed, 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.	

PART D – OTHER RELEVANT QUESTIONS

No.	Question	Answer	Further information
1.	Can the Offer Period be extended?	Yes, the Offer Period can be extended at Paladin's discretion or automatically, in accordance with the Corporations Act. Summit Shareholders will receive written notice of any extension, and the extension will be announced to ASX.	Section 2 of Annexure A contains more information as to the circumstances in which the Offer Period can be extended.
2.	Can I accept the Offer for part of my holding?	No, you must accept the Offer for all of your holding.	Please refer to Section 1 of Annexure A.
3.	If I accept the Offer can I withdraw my acceptance?	Generally no. You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, Paladin varies the Offer in a way that postpones for more than one month the time that Paladin has to meet its obligations under the Offer (for example, if Paladin extends the Offer for more than one month while the Offer remains subject to any of the Conditions).	Section 6 of Annexure A contains more information as to the limited circumstances in which you may be able to withdraw your acceptance.
4.	When will I receive the Offer Consideration?	If you accept the Offer and the Offer is declared unconditional or all Conditions are satisfied or waived, Paladin will issue you Paladin Shares as consideration for your Summit Shares on or before the earlier of: (a) 1 month after you have validly accepted the Offer or the contract resulting from its acceptance becomes unconditional or the Conditions are satisfied or waived (whichever is later); and (b) 21 days after the end of the Offer Period.	Section 7 of Annexure A contains more information as to when your new Paladin Shares will be issued to you.
5.	Will I need to pay any transaction costs if I accept the Offer?	If your Summit Shares are registered in an Issuer Sponsored Holding in your name and you deliver a duly executed Acceptance Form to Paladin, you will not incur any brokerage in connection with your acceptance of the Offer.	Section 1.6 contains further information.

No.	Question	Answer	Further information
6.	What happens if I do not accept the Offer?	<p>Subject to the explanation below, you will remain a shareholder of Summit and will not receive the Offer Consideration.</p> <p>If you do not accept the Offer and Paladin acquires a Relevant Interest in at least 90% (by number) of the Summit Shares, and at least 75% (by number) of the Summit Shares that Paladin offers to acquire under the Offer, during or at the end of the Offer Period and the other Conditions of the Offer are satisfied or waived, Paladin intends to proceed to compulsorily acquire the outstanding Summit Shares. If your Summit Shares are compulsory acquired by Paladin, it will be on the same terms (including the Offer Consideration for each Summit Share acquired) as the Offer.</p> <p>If the Offer becomes or is declared unconditional or the Conditions are satisfied or waived but Paladin does not become entitled to compulsorily acquire your Summit Shares under the Corporations Act, unless you sell your Summit Shares, you will remain a shareholder in Summit.</p> <p>In these circumstances and, depending on the number of Summit Shares acquired by Paladin, you may be a minority Summit Shareholder.</p>	<p>Section 7 provides more information regarding Paladin's intentions if it acquires a Relevant Interest in at least 90% of the Summit Shares during or at the end of the Offer Period.</p>
7.	Are there conditions to the Offer?	<p>The Offer is subject to the Conditions set out in Section 1.9 of Annexure A and include:</p> <ul style="list-style-type: none"> (a) Paladin acquiring an interest in at least 90% of all Summit Shares on issue at the end of the Offer Period and an interest in at least 75% of the Summit shares that Paladin offered to acquire; (b) that no Summit Prescribed Occurrences occurs; (c) that no Summit Material Adverse Change occurs; and (d) that no material litigation occurs. <p>As at the date of this Bidder's Statement, Paladin is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offer being triggered (or not being satisfied, as appropriate).</p>	<p>Section 9 of Annexure A to this Bidder's Statement sets out the Conditions in full.</p>

No.	Question	Answer	Further information
8.	What if the Conditions are not satisfied or waived?	If the Offer closes and the Conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Summit Shares (unless you otherwise sell them). Paladin will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.	Section 2 of Annexure A to this Bidder's Statement sets out further information.
9.	What are the tax implications of accepting the Offer?	Each Summit Shareholder's tax position is different. Therefore, Summit Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences with respect to their Summit Shares, including the applicability and effect of income and other tax laws in their particular circumstances.	A summary of the general Australian income tax, stamp duty and GST consequences for Summit Shareholders who participate in the Offer is set out in Section 8 (Taxation implications). However, Summit Shareholders should not rely on the summary in Section 8 in substitution for specific advice on their own affairs.
10.	Can I sell my Summit Shares on market?	Yes, however, once you accept the Offer you will not be permitted to sell your Summit Shares on market, accept any other offer or otherwise deal with your Summit Shares. If you have already accepted the Offer, you will be unable to settle any subsequent sale of your Summit Shares, subject to you withdrawing your acceptance.	Annexure A to this Bidder's Statement sets out further information.
11.	What happens if Paladin improves the Offer Consideration?	Paladin has announced that the Offer consideration is final and will not be increased in the absence of a competing proposal. If Paladin improves the Offer Consideration, all the Summit Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Offer become or be declared unconditional.	Annexure A to this Bidder's Statement sets out further information.
12.	Where should I go if I need more information?	If you have any questions in relation to the Offer how to accept it, or you have lost your Acceptance Form and require a replacement, please call +61 (08) 9381 4366.	

3. PROFILE OF PALADIN ENERGY LIMITED

3.1 Overview of Paladin

Paladin is a uranium mining and exploration company with a strategic portfolio of developed mines and projects, including two mines in Africa available for re-start.

Paladin has two uranium mines in Africa (on care and maintenance) and uranium exploration projects in Australia, Africa and Canada. Paladin is incorporated under the laws of Western Australia with a primary share market listing on the Australian Securities Exchange ("ASX"), as well as secondary listings on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe and the Namibian Stock Exchange in Africa.

The Langer Heinrich Mine in Namibia is a strategic tier one mine in the uranium industry, with a production capacity of 5.2 million pounds per annum and is Paladin's flagship project. The Langer Heinrich Mine is a top ten mine by uranium production with in excess of 40 million pounds of cumulative historical uranium production and a remaining productive life in excess of 20 years (at current processing rates). In May 2018, Paladin received the consent of relevant stakeholders to place Langer Heinrich Mine into care and maintenance and the mine stopped presenting ore to the plant.

The Kayelekera Mine in Malawi, Paladin's second mine, is a fully-built mine commissioned in 2008 with 3.3 million pounds per year of uranium production capacity. The Kayelekera Mine is currently on care and maintenance.

Paladin's primary focus during this period of suspended production is to maintain plant, infrastructure and critical aspects of intellectual property and operational knowhow to allow for a re-start of the Langer Heinrich Mine, when justified. During this period of closure, Paladin is also undertaking an operational review to further optimise the Langer Heinrich Mine, reduce operating costs, extend its productive life and potentially increase throughput.

3.2 Corporate information

Paladin was incorporated under the name "Paladin Resources NL" in Australia on 24 September 1993 as a "no liability" company under a Memorandum and Articles of Association. In February 1994, Paladin completed its initial public offering in Australia and on 29 March 1994 commenced trading on the ASX. Following changes to Australian corporations law, Paladin's Memorandum and Articles of Association were replaced by a Constitution in November 1999.

On 21 January 2000, Paladin changed from a no liability company to a limited liability company. At that time, its name changed to "Paladin Resources Ltd". Paladin obtained a secondary listing on the TSX on 29 April 2005. On 22 November 2007, Paladin changed its name to "Paladin Energy Ltd". On 3 July 2017 the board of directors of Paladin appointed voluntary administrators and on 7 December 2017 its creditors approved a Deed of Company Arrangement (**DOCA**) which took effect in January 2018. The TSX determined to delist Paladin's shares effective at the close of market on 10 August 2017. On 17 January 2018 Paladin announced that it had given notice to Computer Investor Services Inc to close Paladin's Canadian ordinary share register. The effective date for termination and closing of the Canadian register was 3 February 2018.

On 1 February 2018, the DOCA was effectuated. In accordance with the DOCA, 98% of Paladin shares were transferred to creditors and other investors pursuant to section 444GA of the Corporations Act and 2% were retained by shareholders.

In addition to the effectuation of the DOCA, an offer for US\$115,000,000 senior secured notes resulted in net proceeds of US\$36,921,000 following the repayment of the US\$60,000,000 Deutsche Bank facility, a US\$10,000,000 payment to cash back the Kayelekera Mine performance bond due to the Government of Malawi and payments totalling US\$8,079,000 for advisors' fees and other costs relating to the capital restructure and issue of the notes.

3.3 Directors and CEO of Paladin

Details of the responsibilities and experience of the Paladin Directors (as at the date of this Bidder's Statement) are set out in Paladin's 2018 Annual Report, a copy of which is available on request or from Paladin's website www.paladinenergy.com.au.

A summary of the Paladin Board and the CEO, as at the date of this Bidder's Statement is set out below.

Rick Crabb - Non-Executive Chairman

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law and advised in relation to numerous project developments in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies. He is also a non-executive chairman of Eagle Mountain Mining Limited (since September 2017) and non-executive director of Thundelarra Limited (since November 2017) and was non-executive chairman of Otto Energy Ltd (from November 2004 to November 2015), Golden Rim Resources Ltd (from August 2001 to November 2017) and Lepidico Ltd (formerly Platypus Minerals Ltd) (from September 1999 to October 2015). Mr Crabb was a councillor on the Western Australian Division of the Australian Institute of Company Directors from 2008 to 2017.

Mr. Crabb was appointed to the Paladin Board on 8 February 1994 and as Chairman on 27 March 2003.

Special Responsibilities

Chairman of the Board
Chairman of Remuneration Committee from 1 February 2018 (member from 1 June 2005)
Chairman of Nomination and Governance Committee from 1 February 2018 (member from 1 June 2005)
Member of Sustainability Committee from 25 November 2010

Scott Sullivan – Chief Executive Officer

Mr Sullivan brings 30 years of diversified mining experience to Paladin, across multiple commodities and projects domestically and internationally. His experience spans strategic planning in mines and smelters; feasibilities; commissioning; mine expansion and restructuring; mine, port and rail

infrastructure; project management; sustainability and government and has a strong emphasis on operational optimisation.

He was most recently General Manager of Newcrest's large and complex Telfer gold-copper mine in the Pilbara Western Australia. Prior roles include CEO and Managing Director roles with ASX-listed companies centered in West Africa and the US and Asset President of NSW Energy Coal at BHP Billiton, being directly responsible for the operation and rapid expansion of one of Australia's iconic and highest producing coal mines, Mt Arthur, along with the Caroon Coal project and BHPB's share in the NCIG port infrastructure in Newcastle. Mr Sullivan was also GM of the Wambo Coal OC and UG operations in the Hunter Valley with Peabody Energy and successfully commissioned the UG mine to be one of the most productive thin seam Long Wall mines in the world.

Mr Sullivan is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM) and Graduate of the Australian Institute of Company Directors (GAICD). He holds a Bachelor of Engineering in Mining and an MBA.

Mr Sullivan is not a Director of Paladin.

David Riekie- Non-Executive Director

Mr Riekie is an experienced ASX director at both the Executive and Non-Executive levels. He has operated in a variety of countries globally and throughout Africa; notably Namibia and Tanzania. He has throughout his career provided corporate, strategic and compliance services to a variety of organisations operating in the Resource and Industrial sector, usually enterprises seeking expansion capital and listing on ASX. He has been directly responsible for successful capital raising, stakeholder engagement, acquisition and divestment programmes. Additional experience was gained during his time as a corporate reconstruction specialist with Price Waterhouse. He has overseen, exploration and resource development, scoping and feasibility studies, production, optimisation and rehabilitation initiatives. He has special interest in the energy and energy storage sector, primarily through energy storage minerals and commodities with specific knowledge of uranium (Uranio Limited), oil and gas (Hawkey Oil and Gas), graphite (Battery Minerals Limited) and cobalt/lithium (MetalsTech Limited). He was previously Managing Director of junior explorer MetalsTech Limited from 1 April to 7 September 2018.

Mr Riekie was appointed to the Paladin Board on 1 February 2018.

Special Responsibilities

Chairman of Audit and Risk Committee from 1 February 2018

Member of Remuneration Committee from 1 February 2018

Member of Nomination and Governance Committee from 1 February 2018

Daniel Harris - Non-Executive Director

Mr Harris is a seasoned and highly experienced mining executive and director. Most recently Mr Harris held the role of interim CEO and Managing Director of ASX listed Atlas Iron until January 2017 when he resumed his role as a Non-executive Director and is Chairman of the Audit and Risk Committee. Mr Harris has been involved in all aspects of the industry for over 40 years and held both COO and CEO positions in Atlantic Ltd and Strategic Minerals Corporation and was also the former Vice President of EVRAZ Plc in Moscow. Mr Harris is a consultant and member of the Advisory Board of Black Rock Metals in Montreal and is a consultant and advisor to GSA Environmental in the UK. Mr Harris

currently a Non-executive Director of Perth based Australian Vanadium Ltd. and is a Non-executive Director of Queensland Energy and Minerals, based in Brisbane.

Mr Harris was appointed to the Paladin Board on 1 February 2018.

Special Responsibilities

Chairman of Sustainability Committee from 1 February 2018

Member of Remuneration Committee from 1 February 2018

Member of Nomination and Governance Committee from 1 February 2018

Member of Audit and Risk Committee from 1 February 2018

John Hodder - Non-Executive Director

Mr. Hodder is a Geologist by background with a B.Sc. in Geological Sciences and a B.Com. in Finance and Commerce from the University of Queensland. He spent ten years in the mining and oil and gas industries before completing a M.B.A. at London Business School. Mr. Hodder established the Commonwealth Development Corporation (CDC) mining, oil and gas investment department in 1995 and was responsible for its investment activities for some eight years. He has served as a director of a number of junior mining companies and has significant experience of operating and investing in Africa. Mr. Hodder worked at Suncorp and Solaris as a Fund Manager focusing on the resources sector managing an index-linked natural resource portfolio of \$1.25bn. In 2014 Mr Hodder was one of three principals who established Tembo Capital a mining focused private equity fund group.

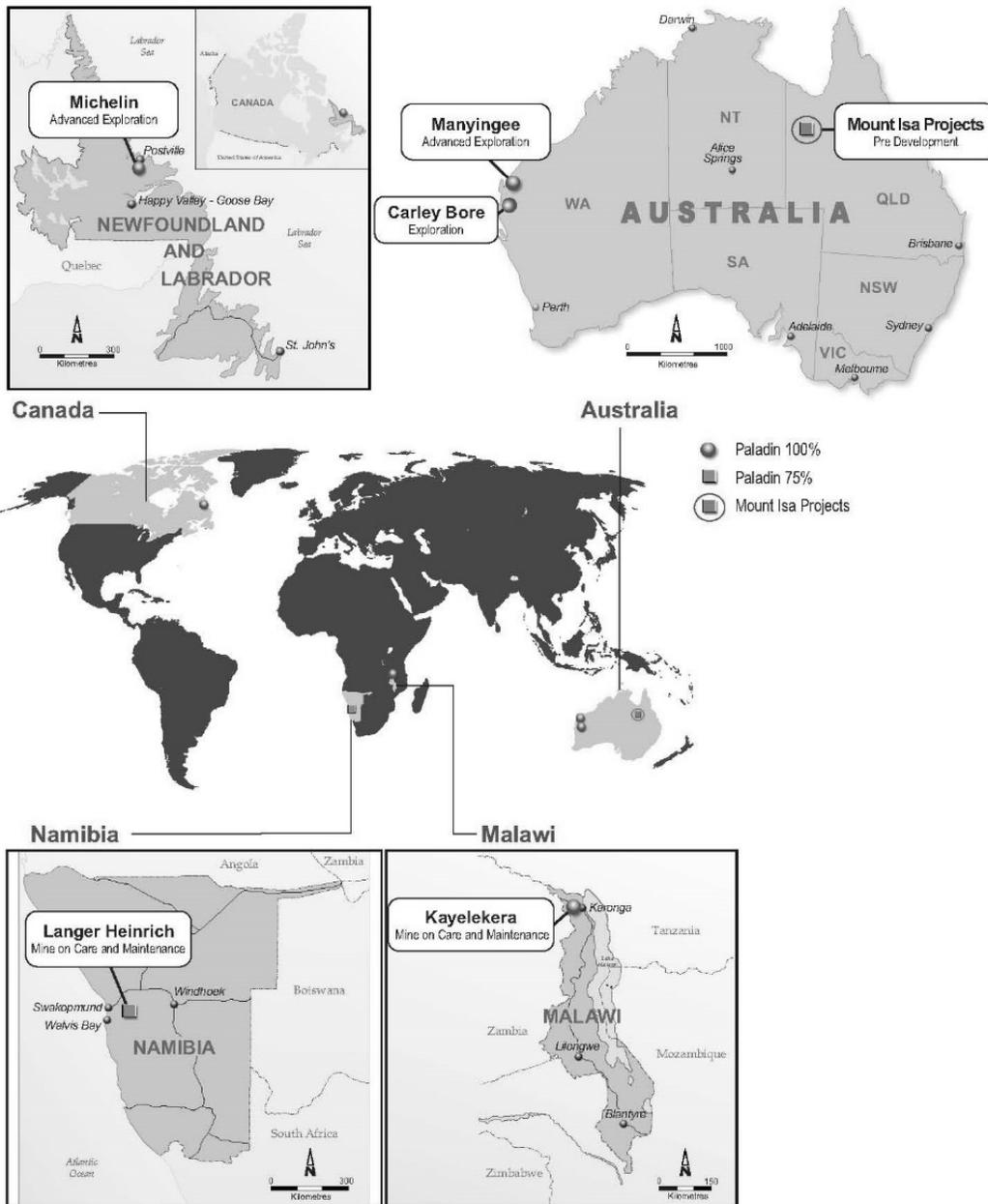
Mr Hodder was appointed to the Paladin Board on 14 February 2018.

Special Responsibilities

Member of Audit and Risk Committee from 14 February 2018

Member of Nomination and Governance Committee from 14 February 2018

3.4 Overview of Paladin's projects



Unless specifically noted, Mineral Resources were prepared and first disclosed under the JORC Code 2004. These estimates have not been updated since to comply with JORC Code 2012 on the basis that the information that the estimates are derived from has not materially changed since it was last reported.

Paladin's attributable Mineral Resources inventory, with effect from 30 June 2018, includes 126,627t of U₃O₈ (279.2Mlb) at 635ppm U₃O₈ in the Indicated and Measured categories (including ROM stockpiles) and 37,817t of U₃O₈ (83.4Mlb) at 530ppm U₃O₈ in the Inferred Resource category. A summary of the status of each of the advanced projects is detailed in the following table. This table does not include additional JORC (2004) compliant Mineral Resources from Bikini, Andersons, Mirrioola, Watta or Warwai deriving from Paladin's 82.08% ownership of Summit, nor from the Duke Batman or Honey Pot deposits.

Project	Overview	Mining Method/ Deposit Type	Outlook	Mineral Resources
Uranium Production				
**Langer Heinrich Mine - 75% (Namibia, Southern Africa)	Paladin's cornerstone asset commenced production in 2007. The Stage 3 expansion is complete with production capacity at 5.2Mlb per annum (pa).	Conventional calcrete open pit;	Project life of 20 years Currently on care and maintenance due to low uranium prices	M&I (inc stockpiles): 113.0Mt @ 460ppm (114.5Mlb U ₃ O ₈) Inferred: 8.7Mt @ 470ppm (9.0Mlb U ₃ O ₈)
*Kayelekera Mine – 85% (Malawi, Southern Africa)	Paladin's second uranium mine, capable of operating at nameplate of 3.3Mlb pa.	Conventional sandstone open pit;	Currently on care and maintenance due to low uranium prices	M&I (inc stockpiles): 15.0Mt @ 720ppm (23.9Mlb U ₃ O ₈) Inferred: 5.4Mt @ 620ppm (7.4Mlb U ₃ O ₈)
Uranium Exploration				
*Michelin Project – 50% (Labrador, Canada)	Maintained on a minimum activity basis.	Open pit - underground; metasomatic	Further work dependent on market conditions	M&I: 54.4Mt @ 880ppm (105.6Mlb U ₃ O ₈) Inferred: 13.1Mt @ 760ppm (22.1Mlb U ₃ O ₈)
**Manyingee Project – 100% (Western Pilbara, Western Australia)	Maintained on a minimum activity basis.	In-situ leach; sandstone	3 year staged feasibility study dependent on market conditions	M&I: 13.8Mt @ 680ppm (20.7Mlb U ₃ O ₈) Inferred: 22.8Mt @ 410ppm (20.8Mlb U ₃ O ₈)
*Mount Isa Project – 82.08% (Queensland, Australia)	Maintained on a minimum activity basis.	Open pit - underground; metasomatic	Development dependent on market conditions	M&I: 57.2Mt @ 745ppm (93.7Mlb U ₃ O ₈) Inferred: 16.3Mt @ 610ppm (22.0Mlb U ₃ O ₈)

Mineral Resources are quoted inclusive of any Ore Reserves that may be applicable.

Mineral Resources detailed above in all cases represent 100% of the resource – not the participant's share.

*Conforms to JORC(2004) guidelines, in addition the Mineral Resources for the Michelin and Jacques Lake deposits conform to the JORC(2012) guidelines.

**Conforms to JORC(2012) guidelines.

(a) For Kayelekera, the Government of Malawi holds a 15% equity interest in the subsidiary, Paladin (Africa) Limited, the holder of the Kayelekera Mining Licence.

(b) For Michelin, the Michelin Claimants will receive a 50% participating interest in the Michelin Project.

Langer Heinrich and Kayelekera Mineral Resources have been depleted for mining to the end of June 2018 and June 2014 respectively.

M&I = Measured and Indicated.

3.5 Langer Heinrich Mine

Langer Heinrich Mine (**LHM**) is located in the Namib Desert in Namibia, 80km east of the major seaport of Walvis Bay and about 40km south-east of the large-scale, hard-rock Rössing uranium mine operated by the Rio Tinto Group.

Following the sale of a 25% equity stake to CNNC Overseas Uranium Holding Limited (CNNC), a wholly owned subsidiary of China National Nuclear Corporation, Paladin owns 75% of LHM in Namibia through its Namibian subsidiary, Langer Heinrich Uranium (Pty) Ltd.

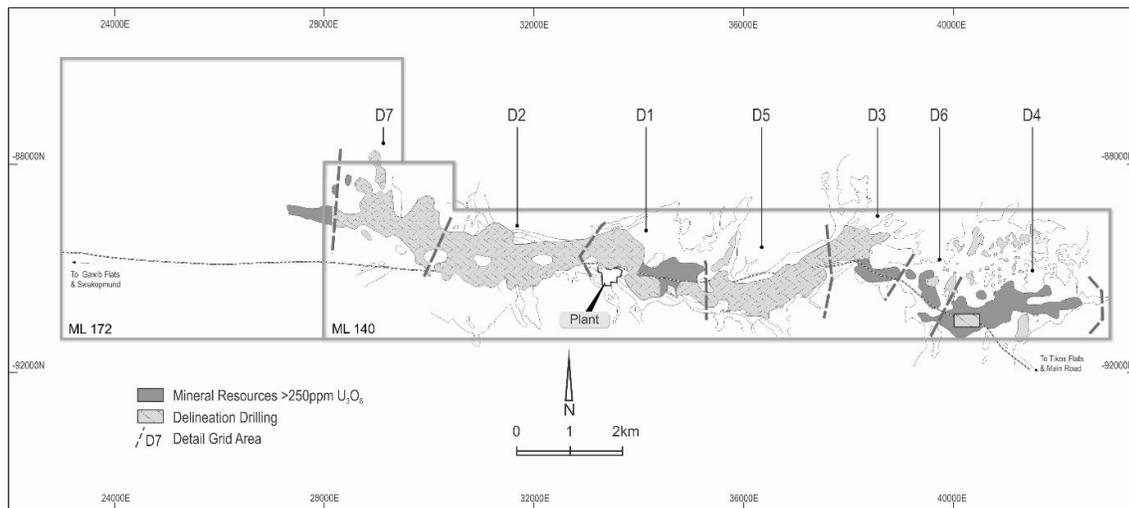
History of LHM

- 1973** The deposit was discovered in 1973 after a government-sponsored airborne radiometric survey of the area.
- 1980** Between 1974 and 1980, General Mining Union Corporation Limited (Gencor) undertook extensive evaluation work at the site and suspended work on the project in the mid-1980s, following a fall in the prevailing uranium price.
- 1998** Acclaim Uranium NL acquired the project from Gencor in 1998 and completed a pre-feasibility study. The project was again put on hold due to prevailing uranium prices.
- 2002** In August 2002, Paladin acquired Langer Heinrich Uranium (Pty) Ltd and its assets from Aztec Resources Ltd (formerly Acclaim Uranium NL). The purchase consideration was \$15,000 and a production royalty of 12 Australian cents per kilogram of U₃O₈ sold.
- 2007** LHM commenced production in 2007 with a capacity of 2.7Mlb U₃O₈ pa.
- 2008** Construction of the Stage 2 expansion to 3.7Mlb U₃O₈ pa commenced in 2008.
- 2009** LHM reached the Stage 2 design capacity in December 2009.
- 2012** Construction of the Stage 3 expansion to 5.2Mlb U₃O₈ pa commenced at the beginning of 2010 and was completed on 31 March 2012.
- 2014** On 23 July 2014 the sale process for a 25% interest in LHM to CNNC was completed.
- 2015** Process innovation focused on the Bicarbonate Recovery Plant (BRP), which was commissioned in early March 2015 and resulted in significant reagent cost reductions.
- 2016** Following the continued decline in uranium prices, LHM introduced a mining curtailment strategy in November 2016.
- 2018** In May 2018 Paladin received the consent of relevant stakeholders to place LHM into care and maintenance and stopped presenting ore to the plant.

FY2018 proved to be a difficult year for the operation. The processing of medium grade ore stockpiles as a result of the mining curtailment strategy introduced in November 2016 revealed different ore characteristics to that which the mine had experienced previously. Ore took longer to settle, affecting production throughput and water recovery from tailings facilities was erratic which also impacted production output. Lower production together with increased reagent costs were further exacerbated by the continued decline in the uranium spot price which adversely affected profitability and cash flows.

In May 2018, Paladin received the consent of relevant stakeholders to place LHM into care and maintenance and LHM stopped presenting ore to the plant. The operation is on track to commence care and maintenance in September 2018. The mine is expected to remain on care and maintenance until the uranium spot price again makes it economical to restart on a sustainable basis. During this care and maintenance period the mine will ensure that the plant is properly maintained for a restart and several potential projects will be examined to further optimise the operation, reduce operating costs, extend its productive life and potentially increase throughput.

Langer Heinrich is a surficial calcrete type uranium deposit containing a Mineral Resource of 51,928t U₃O₈ at a grade of 460ppm U₃O₈ in the Measured and Indicated categories (including RoM stockpiles) in seven mineralised zones designated Detail 1 to 7 (see figure below) along the length of the Langer Heinrich valley within the 15km length of a contiguous paleo drainage system.



Mineral Resources and Ore Reserves Estimation

Mineral Resources and Ore Reserves conforming to the JORC (2012) code are detailed below.

Mineral Resource Estimate (250ppm U₃O₈ cut-off)

	Mt	Grade ppm U ₃ O ₈	t U ₃ O ₈	Mlb U ₃ O ₈
Measured	60.71	515	31,169	68.72
Indicated	21.48	460	9,854	21.72
Measured and Indicated	82.19	500	41,022	90.44
Stockpiles	30.78	355	10,906	24.04
Inferred	8.70	470	4,073	8.98

Figures may not add due to rounding and are quoted inclusive of any Ore Reserves, and have been depleted for mining to the end of June 2018.

Ore Reserves

Economic analysis on this resource has indicated a break-even cut-off grade of 250ppm.

Ore Reserve Estimate (250ppm U₃O₈ cut-off)

	Mt	Grade ppm U ₃ O ₈	t U ₃ O ₈	Mlb U ₃ O ₈
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Proved	41.97	525	21,997	48.49
Probable	13.14	485	6,366	14.04
Stockpiles	30.78	355	10,906	24.04
Total	85.89	455	39,269	86.57

Ore Reserve has been depleted for mining to the end of June 2018.

For more information on the standing the mining tenements that make up LHM, refer to the Solicitor's Report on the Namibian Tenements contained at Annexure E.

3.6 Kayelekera Mine (KM)

Kayelekera Mine (**KM**) is located in northern Malawi, 52km west (by road) of the provincial town of Karonga and 12km south of the main road that connects Karonga with the township of Chitipa to the west.

KM is owned 100% by Paladin (Africa) Limited (PAL), a subsidiary of Paladin. In July 2009, Paladin issued 15% of equity in PAL to the Government of Malawi under the terms of the Development Agreement signed between PAL and the Government in February 2007, which established the fiscal regime and development framework for KM.

History of KM

- 1982** The Central Electricity Generating Board of Great Britain (CEGB) discovered the Kayelekera sandstone uranium deposit in 1982.
- 1992** The project was abandoned in 1992 due largely to the poor uranium outlook, as well as privatisation of CEGB and resultant pressure to return to its core business.
- 1998** In 1998, Paladin acquired a 90% interest in Kayelekera through a joint venture with Balmain Resources Pty Ltd (Balmain), which then held exploration rights over the Project area.
- 2005** In July 2005, Paladin acquired the remaining 10% interest in Kayelekera held by Balmain.
In April 2005, Paladin announced the go-ahead of a Bankable Feasibility Study (BFS) as a result of the improved economics shown by the pre-feasibility work.
- 2007** After completing the Development Agreement with the Malawi Government, the BFS and a full Environmental Impact Assessment, the Mining Licence (ML 152) covering 5,550 hectares, was granted in April 2007 for a period of 15 years.
Construction of KM, with a 3.3Mlb U₃O₈ pa design capacity, began in June 2007.
- 2008** Open pit mining commenced in June 2008 to develop initial stockpiles.
- 2009** Commissioning began in January 2009, with first production achieved in April 2009.
- 2010** KM continued to ramp-up its production volumes and commercial production was declared from 1 July 2010.
- 2012** In 2012, the operation made substantial positive steps toward design capacity of 3.3Mlb U₃O₈ pa through a programme of plant upgrades aimed at addressing bottlenecks.
The focus at KM turned to production optimisation with the acid recycling project (nano-filtration technology) representing a key

element. The acid recovery plant was operational up to the cessation of ore processing.

- 2013** The plant achieved record annual production totalling 2.963Mlb U₃O₈ for FY2013.
- 2014** Continuing low uranium prices resulted in a decision to place the project on care and maintenance in February 2014.

On 7 February 2014, Paladin announced that it was suspending production at KM and placing the mine on care and maintenance due to the low uranium price and non-profitability of the operation. The plant operated until all reagents in the supply chain were consumed to the maximum extent possible and the plant ceased production on 6 May 2014. After a transition period, during which the site was made safe, the plant cleaned and all remaining product dispatched to customers, the care and maintenance period commenced on 26 May 2014. During care and maintenance the project will be maintained and secured with adequate staffing.

In FY2018 activities continued to focus on the water treatment programme. The license to treat and release water was renewed by the Government of Malawi in January 2018 for the 2017/2018 wet season, with the Government maintaining the prior strict conditions regulating critical water quality parameters, including the World Health Organisation drinking water guideline for uranium content. Comprehensive monitoring of samples was undertaken upstream and downstream from KM. At 30 June 2018 water inventories had been reduced in the two major storage ponds and were on track to reach their pre-wet season targets. A new application to treat and discharge water for the 2018/19 wet season was submitted in July 2018.

Kayelekera is a sandstone-hosted uranium deposit, associated with the Permian Karoo sediments and hosted by the Kayelekera member of the North Rukuru sedimentary outcrop of the Karoo System. The mineralisation is associated with seven variably oxidised, coarse grained arkoses, separated by shales and mudstones. Uranium mineralisation occurs as lenses, primarily within the arkose layers and, to a lesser extent, in the mudstone. The lowest level of known mineralisation is at a depth of approximately 160m below surface.

Paladin operates KM under the provisions of Environmental Certificate 27.3.1, granted in March 2007, following approval of the Kayelekera Project Environmental Impact Assessment (EIA) and Mining Licence ML152, granted in April 2007. ML152 covers an area of some 55km² surrounding the Kayelekera deposit and was granted for a period of 15 years, renewable for further 10-year periods.

Mineral Resources and Ore Reserves Estimation

Mineral Resources and Ore Reserves are unchanged from those reported in 2014.

Mineral Resources and Ore Reserves conforming to the JORC(2004) code are detailed below.

Mineral Resource at 300ppm U₃O₈ Cut-off

	Mt	Grade ppm U ₃ O ₈	t U ₃ O ₈	Mib U ₃ O ₈
Measured	0.74	1,010	753	1.66
Indicated	12.71	700	8,901	19.62
Measured and Indicated	13.45	715	9,654	21.28
Stockpiles	1.59	755	1,199	2.64
Inferred	5.35	620	3,334	7.35

Figures may not add due to rounding and are quoted inclusive of any Ore Reserves and are depleted for mining to end of June 2014 when mining ceased.

The Mineral Resource estimate is based on Multi Indicator Kriging techniques with a specific adjustment based on parameters derived from the mining process.

Ore Reserves

Economic analysis on this Mineral Resource has indicated a break-even cut-off grade of 400ppm U₃O₈.

Ore Reserve at 400ppm U₃O₈ Cut-off

	Mt	Grade ppm U ₃ O ₈	t U ₃ O ₈	Mib U ₃ O ₈
Proved	0.39	1,170	457	1.00
Probable	5.34	880	4,709	10.38
Stockpiles	1.59	755	1,199	2.64
Total Reserves	7.32	870	6,365	14.03

Figures may not add due to rounding and are depleted for mining to end of June 2014.

For more information on the standing the mining tenements that make up KM, refer to the Solicitor's Report on the Malawi Tenements contained at Annexure F.

3.7 Exploration

Paladin has uranium exploration projects in Australia, Africa and Canada. Details of these exploration projects and their Mineral Resources are summarised in the Ore Reserves and Mineral Resources section in Sections 3.4 to 3.11.

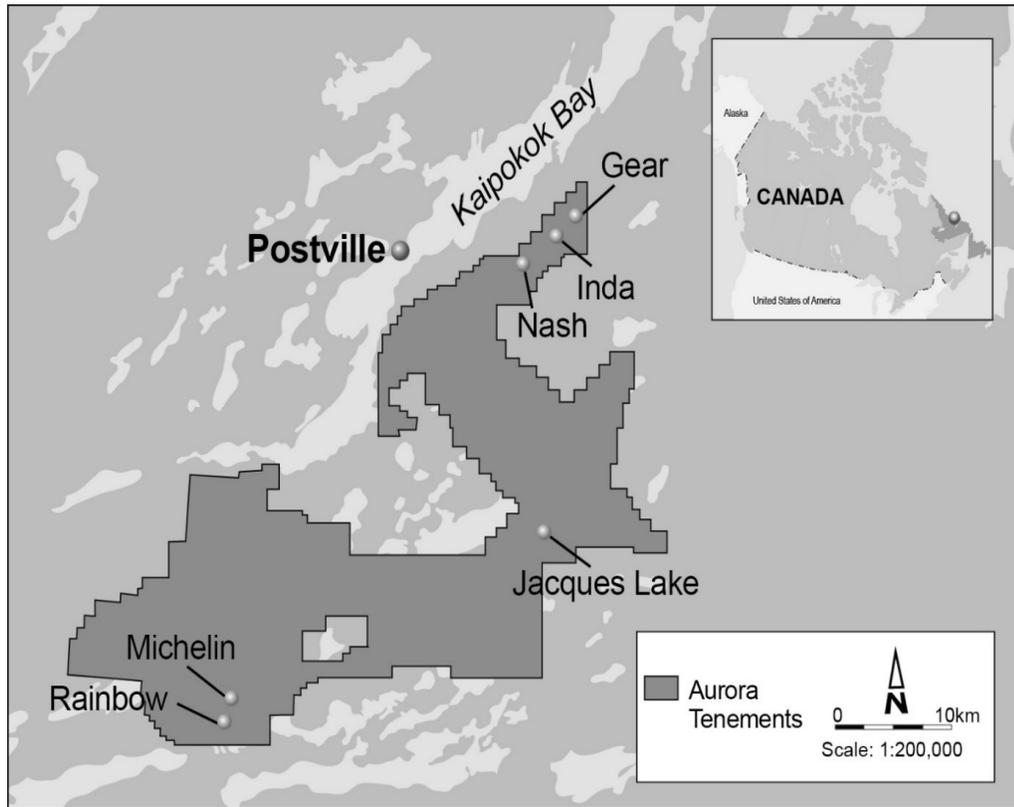
During the year, Paladin has only undertaken the work required to meet minimum tenement commitments at these exploration projects.

3.8 Canada – Michelin Project

Paladin, through its wholly-owned subsidiary Aurora Energy Ltd (**Aurora**), holds rights to 91,500 hectares of mineral claims within the Central Mineral Belt of Labrador (**CMB**), Canada, approximately 140km north of Happy Valley-Goose Bay and 40km southwest of the community of Postville.

Several of Paladin's Canadian subsidiaries have given guarantees and provided security (**Michelin Security**) over their 60.1% interest in the Michelin Project in respect of Paladin's obligations under the Électricité de France S.A. (EdF) Long Term Supply Agreement between EdF and Paladin dated 8 June 2012. On 29 November 2017 EdF issued a demand under these guarantees and sought to exercise its security. These claims were sold to Deutsche Bank AG, who

subsequently sold down parts of its interest in the Michelin Security to a number of parties (**Michelin Claimants**). On 31 August 2018, all existing claims which the Michelin Claimants have against Paladin's Canadian subsidiaries and Michelin were irrevocably extinguished, released and discharged and in consideration for the release of these claims, the Michelin Claimants receive a 50% participating interest in the Michelin Project. There is a farm out over a five year period whereby the Michelin Claimants will transfer a 5% participating interest in the Michelin Project to Paladin on an annual basis in return for Paladin funding all obligations for the Michelin Project over this period.



The mineral claims cover a significant area of prospective ground over the CMB. The claims contain 105.6Mlb U_3O_8 Measured and Indicated Mineral Resources as well as an additional 22Mlb U_3O_8 Inferred Mineral Resource in six deposits. The largest of these deposits is Michelin which contains a total resource of 92Mlb U_3O_8 , 82.2Mlb of which is classified measured and indicated. Michelin is still open along strike and at depth. The estimated resources are summarised in the table below. Cut-off grades for all deposits except Jacques Lake reflect the use of open cut (200ppm) and underground (500ppm) mining methodologies in the determination of prospects for eventual economic extraction. For Jacques Lake, there was insufficient Mineral Resources remaining after pit optimisation studies to warrant any portion being considered for underground mining.

Deposit	Measured Resources					Indicated Resources				Inferred Resources			Paladin Share	
	Cut-off ppm U ₃ O ₈	Mt	Grade ppm	† U ₃ O ₈	Mlb	Mt	Grade ppm	† U ₃ O ₈	Mlb	Mt	Grade ppm	† U ₃ O ₈		Mlb
Michelin	200/500	17.6	965	17,045	37.6	20.6	980	20,225	44.6	4.5	985	4,470	9.9	50%
Jacques Lake	250					13.0	630	8,145	18.0	3.6	550	1,988	4.4	50%
Rainbow	200/500	0.2	920	193	0.4	0.8	860	654	1.4	0.9	810	739	1.6	50%
Inda	200/500					1.2	690	826	1.8	3.3	670	2,171	4.8	50%
Nash	200/500					0.7	830	564	1.2	0.5	720	367	0.8	50%
Gear	200/500					0.4	770	270	0.6	0.3	920	279	0.6	50%
Total Resources		17.8	965	17,238	38.0	36.6	840	30,685	67.6	13.1	765	10,014	22.1	
Total Attributable Resources		8.9	967	8,617	19.0	18.4	838	15,337	33.8	6.6	763	5,007	11.0	

Figures may not add due to rounding.

As a consequence of the continuing weakness in the uranium spot price, the project operates on minimum activity and expenditure, at a level intended to maintain the tenements in good standing.

For more information on the standing of the mining tenements that make up the Michelin Project, refer to the Solicitor's Report on the Canadian Tenements contained at Annexure G.

3.9 Queensland

Paladin has an 82.08% majority shareholding in Summit acquired in 2007. Summit's wholly-owned subsidiary, Summit Resources (Aust) Pty Ltd (**SRA**), operates the Isa Uranium Joint Venture (**IUJV**) and the Mount Isa North Project (**MINP**). Paladin wholly owns the Valhalla North Project (**VNP**) immediately to the north of the MINP area.

The three projects include ten deposits containing 106.2Mlb U₃O₈ Measured and Indicated Mineral Resources as well as 42.2Mlb U₃O₈ Inferred Mineral Resources. Of this, 95.8Mlb U₃O₈ Measured and Indicated Mineral Resources as well as 37.4Mlb U₃O₈ Inferred Mineral Resources are attributable to Paladin. 51.4% of the Mineral Resources are located at Valhalla; the rest is distributed over the other tabled deposits.

The table below lists JORC(2004) and NI 43-101 compliant Mineral Resources by deposit, on a 100% project basis.

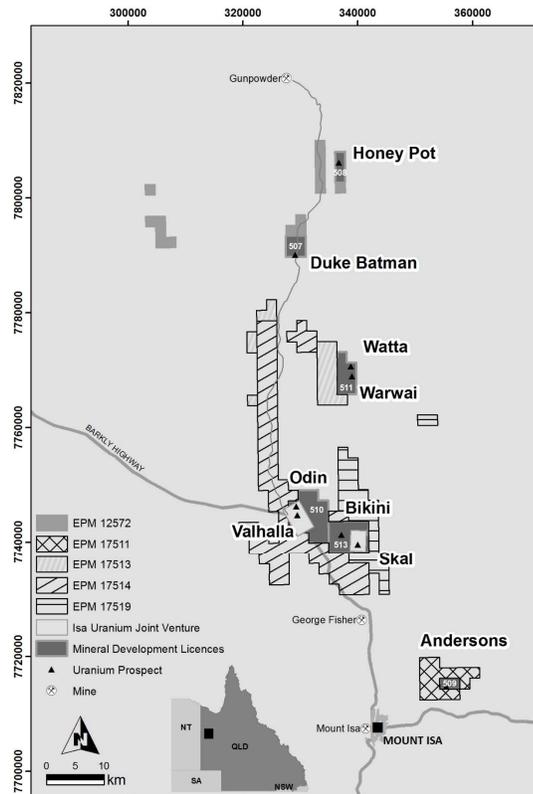
Deposit	Measured Resources				Indicated Resources				Inferred Resources				Paladin Share	
	Cut-off ppm U ₃ O ₈	Mt Grade	† U ₃ O ₈ Mlb	Mlb	Mt Grade ppm	† U ₃ O ₈ Mlb	Mlb	Mt Grade ppm	† U ₃ O ₈ Mlb	Mlb				
Valhalla*	230	16.0	820	13,116	28.9	18.6	840	15,662	34.5	9.1	640	5,824	12.8	91%
Skal*	250					14.3	640	9,177	20.2	1.4	520	708	1.6	91%
Odin*	250					8.2	555	4,534	10.0	5.8	590	3,430	7.6	91%
Bikini*	250					5.8	495	2,868	6.3	6.7	490	3,324	7.3	82%
Andersons*	250					1.4	1,450	2,079	4.6	0.1	1,640	204	0.4	82%
Watta	250									5.6	400	2,260	5.0	82%
Warwai	250									0.4	360	134	0.3	82%
Mirrioola	250									2.0	560	1,132	2.5	82%
Duke Batman*	250					0.5	1,370	728	1.6	0.3	1,100	325	0.7	100%
Honey Pot	250									2.6	700	1,799	4.0	100%
Total Resources		16.0	820	13,116	28.9	48.8	720	35,048	77.3	33.9	565	19,140	42.2	
Total Attributable Resources		14.6	820	11,941	26.3	43.9	720	31,530	69.5	29.8	570	16,983	37.4	

Figures may not add due to rounding.

* Deposits estimated using Multiple Indicator Kriging within a wireframe envelope. All other Mineral Resources are estimated using Ordinary Kriging with an appropriate top cut. Data for all deposits is a combination of geochemical assay and downhole radiometric logging.

The exploration is managed through separate projects and operates on minimum activity and expenditure, at a level intended to maintain the tenements in good standing, as a consequence of the continuing weakness in the uranium spot price.

The locations of the separate projects are shown in the following map and details are set out below.



3.9.1 ISA Uranium Joint Venture (IUJV)

Summit Resources (Aust) Pty Ltd (SRA) 50% and Manager Mount Isa Uranium Pty Ltd (MIU) 50%

The IUJV, managed by SRA, covers 17.24 km² of ground containing the Valhalla and Odin deposits and 10 km² of ground containing the Skal uranium deposits and are approximately 40km north of Mount Isa. Paladin's effective participating interest in the IUJV is 91.04% through its ownership of 82.08% of the issued capital of Summit and 100% ownership of MIU. Valhalla and Odin are held by MDL 510 and Skal by MDL 513.

3.9.2 Mount Isa North Project (MINP)

The MINP tenements cover 547km² of area prospective for uranium and base metals and are located 10 to 70km north and east of Mount Isa. The area is 100% held and managed by SRA utilising Paladin staff and expertise. The MINP includes the Andersons (MDL 509), Watta (MDL 511), Warwai (MDL 511), Bikini (MDL 513) and Mirrioola (MDL 513) uranium deposits as well as numerous other uranium prospects.

In late 2017 a 2,500m RC drilling programme at the Round Hill and Elbow prospects was completed as well as a helicopter borne magnetic and radiometric survey over the Sybella prospect located to the south west of Valhalla.

3.9.3 Valhalla North Project (VNP)

The VNP tenements cover 70 km² over EPM 12572, MDLs 507 and MDL 508 and are located approximately 80km north of the Valhalla deposit. The VNP includes the Duke Batman (MDL 507) and Honey Pot deposits (MDL 508). The geological setting is similar to the Summit/Paladin projects to the south where albitised basalts with interbedded metasediments are mineralised along east-west and north-south structures in Eastern Creek Volcanics.

For more information on the standing of the mining tenements that make up the Paladin exploration projects in Queensland, refer to the Solicitor's Report on Australian Tenements contained at Annexure H.

3.10 Western Australia

3.10.1 Manyingee Uranium Project (Manyingee)

Manyingee is located in the north-west of Western Australia, 1,100km north of Perth and 85km inland from the coastal township of Onslow. The property is comprised of three mining leases covering 1,307 hectares. Paladin purchased Manyingee in 1998 from Afmeco Mining and Exploration Pty Ltd (AFMEX), a subsidiary of Cogema from France.

Between 1973 and 1984, approximately 400 holes were drilled by the previous owners to establish the extent and continuity of the sediment-hosted uranium mineralisation contained in permeable sandstone in palaeochannels. Field trials by AFMEX demonstrated that the Manyingee sandstone-hosted uranium deposit is amenable to extraction by in-situ recovery (ISR).

In 2012, Paladin drilled 96 holes for 9,026m of Rotary Mud and 242m of PQ core. The drilling resulted in a revised geological model and, on 14 January 2014, Paladin announced an updated Mineral Resource for the Manyingee Project. The Mineral Resource estimate conforms to the JORC(2012) Code.

Mineral Resource Estimate (250ppm U₃O₈ and 0.2m cut-off)

Mineral Resources Category	Mt	Grade U ₃ O ₈ ppm	† U ₃ O ₈	Mlb U ₃ O ₈
Indicated	8.374	851850	7,127	15.71
Inferred	5.414	853850		4,613

Figures may not add due to rounding.

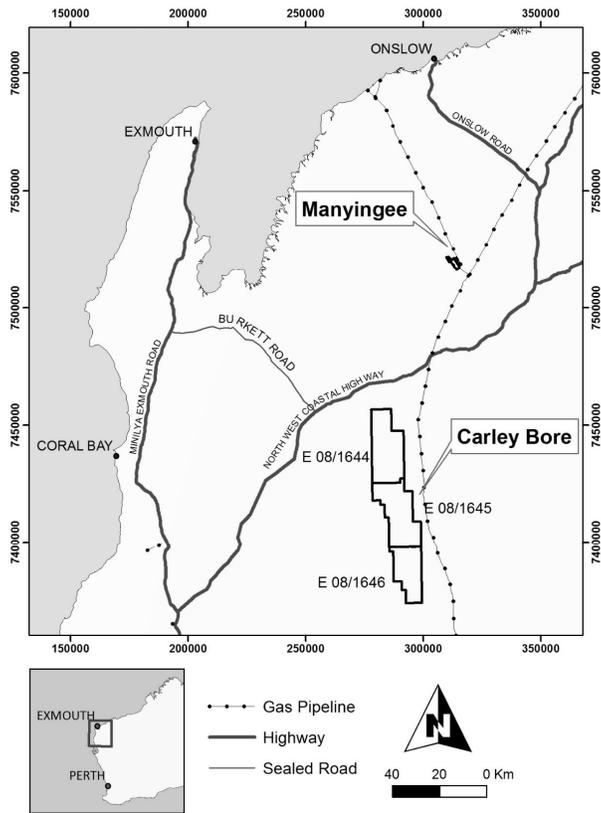
As a consequence of the continuing weakness in the uranium spot price, Manyingee operates on minimum activity and expenditure, at a level intended to maintain the tenements in good standing.

For more information on the standing of the tenements that make up the Paladin exploration projects in Western Australia, refer to the Solicitor's Report on Australian Tenements contained at Annexure H.

3.10.2 Carley Bore

Carley Bore consists of three contiguous exploration licences that are located approximately 100km south of Manyingee as shown in the location map below. The Carley Bore deposit, contains an Indicated Mineral Resource of 5.0Mlb U₃O₈ grading 420ppm and an Inferred Mineral Resource of 10.6Mlb U₃O₈ grading 280ppm (JORC (2012)) at a cut-off grade of 150ppm U₃O₈. Potential exists for

extensions to mineralisation north and south of the estimated Carley Bore resource.



Carley Bore and Manyingee Tenement Package Location

Mineral Resource Estimate (150ppm U₃O₈ cut-off)

Mineral Resources Category	Mt	Grade ppm U ₃ O ₈	† U ₃ O ₈	Mlb U ₃ O ₈
Indicated	5.4	420	2,268	5.00
Inferred	17.4	280	4,825	10.64

The three Carley Bore tenements are coincident with geology similar to that which hosts the Carley Bore and Manyingee deposits and is also coincident with numerous identified regional targets that warrant further investigation.

Carley Bore operates on minimum activity and expenditure, at a level intended to maintain the tenements in good standing, as a consequence of the continuing weakness in the uranium spot price.

For more information on the standing of the tenements that make up the Paladin exploration projects in Western Australia, refer to the Solicitor's Report on Australian Tenements contained at Annexure H.

3.11 Mineral Resources and Ore Reserves Summary

The following tables detail Paladin's Mineral Resources and Ore Reserves and the changes that have occurred within FY2018. The only changes to Mineral Resources and Ore Reserves information were due to depletion of stockpiles used for processing and a minor stockpile adjustment at Langer Heinrich. There

were no other material changes to Paladin's Mineral Resources and Ore Reserves.

Mineral Resources		30 June 2017			30 June 2018			Change	
		Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Mlb U ₃ O ₈
<u>Namibia</u>									
Measured	Langer Heinrich	60.7	515	68.7	60.7	515	68.7	-	-
Indicated		21.5	460	21.7	21.5	460	21.7	-	-
Inferred		8.7	470	9.0	8.7	470	9.0	-	-
Stockpiles		33.9	380	28.5	30.8	355	24.0	-3.1	-4.4
<u>Malawi</u>									
Measured	Kayelekera	0.7	1,010	1.7	0.7	1,010	1.7	-	-
Indicated		12.7	700	19.6	12.7	700	19.6	-	-
Inferred		5.4	620	7.4	5.4	620	7.4	-	-
Stockpiles		1.6	755	2.6	1.6	755	2.6	-	-
<u>Canada</u>									
Measured	Michelin	17.6	965	37.6	17.6	965	37.6	-	-
	Rainbow	0.2	920	0.4	0.2	920	0.4	-	-
Indicated	Gear	0.4	770	0.6	0.4	770	0.6	-	-
	Inda	1.2	690	1.8	1.2	690	1.8	-	-
	Jacques Lake	13.0	630	18.0	13.0	630	18.0	-	-
	Michelin	20.6	980	44.6	20.6	980	44.6	-	-
	Nash	0.7	830	1.2	0.7	830	1.2	-	-
	Rainbow	0.8	860	1.4	0.8	860	1.4	-	-
Inferred	Gear	0.3	920	0.6	0.3	920	0.6	-	-
	Inda	3.3	670	4.8	3.3	670	4.8	-	-
	Jacques Lake	3.6	550	4.4	3.6	550	4.4	-	-
	Michelin	4.5	985	9.9	4.5	985	9.9	-	-
	Nash	0.5	720	0.8	0.5	720	0.8	-	-
	Rainbow	0.9	810	1.6	0.9	810	1.6	-	-
<u>Australia</u>									
Measured	Valhalla	16.0	819	28.9	16.0	819	28.9	-	-
Indicated	Andersons	1.4	1,485	4.6	1.4	1,485	4.6	-	-
	Bikini	5.8	497	6.3	5.8	497	6.3	-	-
	Duke Batman	0.5	1,374	1.6	0.5	1,374	1.6	-	-
	Odin	8.2	553	10.0	8.2	553	10.0	-	-
	Skal	16.0	820	28.9	16.0	820	28.9	-	-
	Valhalla	1.4	1,450	4.6	1.4	1,450	4.6	-	-
	Carley Bore	5.8	495	6.3	5.8	495	6.3	-	-
	Manyingee	0.5	1,370	1.6	0.5	1,370	1.6	-	-
Inferred	Andersons	8.2	555	10.0	8.2	555	10.0	-	-
	Bikini	14.3	640	20.2	14.3	640	20.2	-	-

Duke Batman	18.6	840	34.5	18.6	840	34.5	-	-
Honey Pot	5.4	420	5.0	5.4	420	5.0	-	-
Mirrioola	8.4	850	15.7	8.4	850	15.7	-	-
Odin	0.1	1,640	0.4	0.1	1,640	0.4	-	-
Skal	6.7	490	7.3	6.7	490	7.3	-	-
Valhalla	0.3	1,100	0.7	0.3	1,100	0.7	-	-
Watta	2.6	700	4.0	2.6	700	4.0	-	-
Warwai	2.0	560	2.5	2.0	560	2.5	-	-
Carley Bore	5.8	590	7.6	5.8	590	7.6	-	-
Manyingee	1.4	520	1.6	1.4	520	1.6	-	-

		30 June 2017			30 June 2018			Change	
		Mt	grade ppm U ₃ O ₈	Mib U ₃ O ₈	Mt	grade ppm U ₃ O ₈	Mib U ₃ O ₈	Mt	Mib U ₃ O ₈
Ore Reserves									
<u>Namibia</u>	Langer Heinrich								
Proven		42.0	525	48.5	42.0	525	48.5	-	-
Probable		13.1	485	14.0	13.1	485	14.0	-	-
Stockpiles		33.9	381	28.5	30.8	355	24.0	-3.1	-4.4
<u>Malawi</u>	Kayelekera								
Proven		0.4	1,170	1.0	0.4	1,170	1.0	-	-
Probable		5.3	880	10.4	5.3	880	10.4	-	-
Stockpiles		1.6	755	2.6	1.6	755	2.6	-	-

Figures may not add due to rounding. Mineral Resources and Ore Reserves quoted on a 100% basis.

All of Paladin's Mineral Resources and Ore Reserves are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Should any Mineral Resources or Ore Reserves be utilised within a Bankable or Definitive Feasibility Study, it is expected that an audit by independent experts would be conducted. For both mine sites, ongoing reconciliations between Mineral Resource, Ore Reserve, Mining Production and Mill Feed tonnes and grade are completed on a regular basis and, to date, there have been no material differences identified in any of these processes.

The information above relating to exploration, mineral resources and ore reserves is, except where stated, based on information compiled by David Princep B.Sc P.Geo FAusIMM(CP) who is an employee of RPM Advisory Services Pty Ltd (an RPM Global Holdings Limited company) and who is a member of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he/she is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

3.12 Disclaimers

Sections 3.4 to 3.11 (inclusive) contains references to Mineral Resource and Ore Reserve estimates, all of which have been cross referenced to previous market announcements made by Paladin. Paladin confirms that it is not aware of any new information or data that materially affects the information included in the

relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

3.13 Paladin capital structure

The capital structure of Paladin as at the date of this Bidder's Statement is as follows:

Securifies	Number
Shares	
Current Paladin Shares	1,713,014,185
TOTAL	1,713,014,185
Share appreciation rights¹	
2015 Share appreciation rights	4,635,000
2016 Share appreciation rights	1,962,000
2018 Share appreciation rights	6,567,500
TOTAL	13,164,500
Options	
Unlisted Options exercisable at \$0.30 on or before 8 November 2018	1,000,000
Unlisted Options exercisable at \$0.40 on or before 23 December 2018	1,000,000
TOTAL	2,000,000

Notes:

1. Share Appreciation Rights (**SARs**) are issued under the terms of Paladin's existing Rights Plans for nil consideration and form part of the long term incentive component of employee remuneration. Upon vesting of any Rights, participants will be issued with Shares equal to the value derived by multiplying the number of vested Rights exercised by the relative growth in share price over the deemed exercise price. Relative share price growth is determined by a comparison of the Paladin share price growth with a hurdle share price of 20 cents (for the 2015 and 2016 SARs) and 15 cents (for the 2018 SARs) (calculated using the VWAP for Paladin Shares for the five trading days before the date of exercise). Vested and exercised SARs will be converted into Paladin Shares. Unvested SARs which do not meet the vesting conditions or are not exercised within the exercise period will automatically lapse. Please see Section 3.22 for further details.

3.14 Summary of historical financial information

The following summary historical financial information has been extracted from the audited financial statements of Paladin for the financial years ended 30 June 2018, 2017 and 2016 and does not take into account the effect of the Offer.

The summary historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRSs and interpretations issued by the International Accounting Standards Board.

The summary historical financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements

and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 30 June 2018 and the date of this Bidder's Statement, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Paladin, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 30 June 2018 financial statements and subsequent filings on ASX.

Copies of Paladin's audited financial statements for the financial years ended 30 June 2018, 2017 and 2016, are available on the Paladin website at www.paladinenergy.com.au and also on Paladin's ASX platform under ASX code PDN. Copies will also be provided by Paladin, free of charge, to any Summit Shareholder who requests them during the Offer Period.

Included in Paladin's Annual Financial Report for the year ending 30 June 2018 (**2018 Annual Report**) is an independent auditor's report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 4 in the Consolidated Financial Statements which form part of the 2018 Annual Report.

The past performance of Paladin is not a guarantee of future performance.

Certain prior year amounts have been reclassified for consistency with the presentation for the year ended 30 June 2018. These reclassifications had no effect on the reported results of the Group.

3.14.1 Statement of financial position

Set out below is Paladin's consolidated statement of financial position as at 30 June 2018, 2017 and 2016.

	30 June 2018 US\$'000	30 June 2017 US\$'000	30 June 2016 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	39,166	10,492	58,608
Restricted cash	11,072	1,010	597
Trade and other receivables	8,121	13,744	12,150
Prepayments	1,511	2,350	1,651
Inventories	10,717	27,456	35,962
Assets classified as held for sale	-	165	-
TOTAL CURRENT ASSETS	70,587	55,217	108,968
Non current assets			
Trade and other receivables	374	384	1,184
Available-for-sale financial assets	-	-	947
Property, plant and equipment	223,986	244,297	256,754
Mine development	28,142	36,396	39,781
Exploration and evaluation expenditure	76,439	92,025	336,074
Intangible assets	10,093	10,625	11,102
Deferred Tax Assets	-	-	36,305
TOTAL NON CURRENT ASSETS	339,034	383,727	682,147
TOTAL ASSETS	409,621	438,944	791,115
LIABILITIES			
Current liabilities			
Trade and other payables	12,971	18,241	31,546
Interest bearing loans and borrowings	-	398,199	204,726
Other Interest bearing loans - CNNC	-	-	10,424
Provisions	5,249	2,382	2,167
Unearned revenue	-	278,182	-
TOTAL CURRENT LIABILITIES	18,220	697,004	248,863
Non current liabilities			
Interest bearing loans and borrowings	103,883	-	127,830
Other Interest bearing loans - CNNC	93,330	89,388	86,275
Provisions	87,427	88,351	79,296
Unearned revenue	-	-	200,000
TOTAL NON CURRENT LIABILITIES	284,640	177,739	493,401
TOTAL LIABILITIES	302,860	874,743	742,264
NET ASSETS	106,761	(435,799)	48,851

EQUITY

Contributed equity	2,301,286	2,101,085	2,101,085
Reserves	(62,769)	32,436	49,949
Accumulated losses	(2,002,644)	(2,464,780)	(2,023,683)
Parent interests	235,873	(331,259)	127,351
Non-controlling interests	(129,112)	(104,540)	(78,500)
TOTAL EQUITY	106,761	(435,799)	48,851

3.14.2 Income statement

Set out below is Paladin's consolidated income statement for the financial years ended 30 June 2018, 2017 and 2016.

	30 June 2018	30 June 2017	30 June 2016
	US\$'000	US\$'000	US\$'000
Revenue	72,917	95,844	185,442
Cost of sales	(88,558)	(92,765)	(152,483)
Inventory write-down	(28,119)	(38,046)	(19,193)
Gross (loss)/profit	(43,760)	(34,967)	13,766
Other income	486,247	2,641	9,171
Exploration and evaluation expenses	-	-	(917)
Administration, marketing and non-production costs	(25,567)	(13,525)	(16,266)
Impairment of exploration assets	(2,300)	(244,560)	-
Write-down of ore stockpiles			(168,906)
Other expenses	(21,822)	(16,491)	(16,575)
Profit/(loss) before interest and tax	392,798	(306,902)	(179,727)
Finance costs	(49,385)	(141,158)	(48,071)
Net profit/(loss) before tax from continuing operations	343,413	(448,060)	(227,798)
Income tax (expense)/benefit	-	(37,372)	83,397
Net profit/(loss) after tax from continuing operations	343,413	(485,432)	(144,401)
Profit after tax from discontinued operations	-	1,250	-
Net profit/(loss) after tax	343,413	(484,182)	(144,401)

3.14.3 Statement of cash flows

Set out below is Paladin's consolidated statement of cash flows for the financial years ended 30 June 2018, 2017 and 2016.

	2018 US\$'000	2017 US\$'000	2016 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	72,615	96,190	185,960
Payments to suppliers and employees	(112,101)	(132,890)	(153,721)
Interest received	231	165	471
Interest paid	(5,922)	(15,417)	(27,817)
Exploration and evaluation expenditure	-	-	(917)
Other income	372	39	310
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(44,805)	(51,913)	4,286
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised exploration expenditure	(2,300)	(2,562)	(4,156)
Payments for property, plant and equipment	(1,388)	(9,076)	(3,801)
Proceeds from sale of subsidiary	-	375	-
Proceeds from sale of tenements	-	1,499	-
Proceeds from sale of property, plant & equipment	298	933	2,543
Proceeds from sale of investments	-	2,609	165
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(3,390)	(6,222)	(5,249)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from senior secured notes	36,921	-	-
Proceeds from secured revolving credit facility	40,000	20,000	-
Repayment of borrowings	-	(10,424)	(92,044)
Project finance borrowing costs			(39)
NET CASH INFLOW FROM FINANCING ACTIVITIES	76,921	9,576	(92,083)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28,276	(48,559)	(93,046)
Unrestricted cash and cash equivalents at the beginning of the financial year	10,492	58,608	152,549
Effects of exchange rate changes on cash and cash equivalents	(52)	443	(895)
UNRESTRICTED CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	39,166	10,492	58,608

3.15 Paladin's prospects

Paladin's future financial performance is dependent on a range of factors, many of which are beyond Paladin's control. Accordingly, the Paladin Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on Paladin's financial performance from its financial reports. Copies of these reports are available from Paladin's website www.paladinenergy.com.au.

3.16 Corporate governance

The Paladin Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations.

Details on Paladin's corporate governance procedures, policies and practices will be provided at www.paladinenergy.com.au.

3.17 Recent performance of Paladin Shares

Set out below is a table showing relevant trading prices of Paladin Shares on ASX:

Comparative trading period	Price of Paladin Shares
Highest trading price on ASX in the four months prior to 6 September 2018 (being the Last Practicable Trading Date prior to finalization of this Bidder's Statement)	21.7 cents
Lowest trading price on ASX in the four months prior to the Last Practicable Trading Date	10.5 cents
Closing sale price on ASX on the last trading day before the date Paladin announced the Offer	20 cents
Closing sale price of Paladin Shares on ASX on the Last Practicable Trading Date	18 cents
20-day volume weighted average price of Paladin Shares before the Announcement Date	19.7 cents

3.18 Quotation of Offer Consideration

Paladin Shares are admitted to trading on the Official List of ASX. Paladin will lodge an application for admission to quotation of the Paladin Shares comprising the Offer Consideration to trading on ASX. Quotation will not be automatic and will depend upon ASX exercising its discretion. Nothing in this Bidder's Statement is to be taken to state or imply that the Paladin Shares issued as Offer Consideration will be quoted on ASX. However, quotation is expected in the ordinary course as Paladin is already admitted to the Official List of ASX.

As Paladin is listed on ASX, Paladin's actions and activities are subject to the ASX Listing Rules.

3.19 Rights and liabilities of Paladin Shares

The Paladin Shares offered to Eligible Shareholders under the Offer are fully paid ordinary shares in the capital of Paladin, and from the date of their issue will rank equally with existing Paladin Shares and will have the same rights and liabilities attaching to them.

Set out below is a summary of the significant rights and liabilities attaching to Paladin Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Paladin. Eligible Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

Full details of the rights attaching to Paladin Shares are set out in the constitution of Paladin, a copy of which is available for inspection at Paladin's registered office during normal business hours.

Heading	Description of the right or liability
Voting rights	Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders, each shareholder entitled to vote may vote in person or by proxy, attorney or representative. On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote. On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
General meeting and notices	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Paladin. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the constitution of Paladin.
Dividend rights	Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the Paladin Directors may declare a final dividend out of profits in accordance with the Corporations Act and may resolve to pay any dividend they think appropriate. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends are to be declared and paid according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares, in accordance with Part 2H.5 of Chapter 2H of the Corporations Act. Interest may not be paid by Paladin in respect of any dividend, whether final or interim.
Variation of class rights	If Paladin issues different classes of Paladin Shares, or divides issued Paladin Shares into different classes, the rights attached to Paladin Shares in any class may (subject to sections 246B to 246E of the Corporations Act) be varied or cancelled with the written consent of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a meeting of the holders of the Paladin Shares of the affected class.

Heading	Description of the right or liability
Transfer of Paladin Shares	Generally, Paladin Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.
Winding up	If Paladin is wound up, and a surplus remains, it must be distributed among the parties entitled to it in proportion to the number of shares held by them, irrespective of the amount paid up on the shares.

3.20 Substantial shareholders of Paladin

Paladin's top 20 shareholders as at 10 August 2018 are set out in Paladin's 2018 Annual Report.

As at the date of this Bidder's Statement, so far as is known to Paladin based on publicly available information, the following persons are substantial shareholders of Paladin:

Paladin Shareholder	Number of Paladin Shares	Voting power in Paladin ¹
Tembo Capital Mining Fund II LP and related entities	223,589,744	13.05%
Paradise Investment Management Pty Ltd	170,303,351	9.94%
Value Partners Greater China High Yield Income Fund and related funds	167,057,474	9.75%
HOPU Clean Energy (Singapore) Pte Ltd	120,382,383	7.03%
Royal Bank of Canada (RBC) and its related bodies corporate	110,557,576	6.45%
China Investment Corporation (CIC) and its controlled entities	96,131,600	5.61%

Notes:

- Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.
- Paladin Director, Mr John Hodder, as a co-founding principal of Tembo Capital Management Ltd controls 223,589,744 shares through its holding in Paladin under the entity Ndovu Capital XII BV.

The Paladin Directors currently have a Relevant Interest in 223,709,374 Paladin Shares, being approximately 13% of the total number of Paladin Shares on issue. The individual Relevant Interests held by each Paladin Director are as set out in Section 10.10.

3.21 Terms of Paladin Options

As at the date of this Bidder's Statement, Paladin has 2,000,000 unlisted Paladin Options on issue. Each Paladin Option entitles the holder to subscribe for one Paladin Share at the respective exercise prices and at any time prior to the corresponding expiry dates set out in Section 3.13.

3.22 Long term incentive plan

Paladin believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders. In 2009, Paladin implemented an Employee Performance Share Rights Plan together with a Contractor Performance Share Rights Plan. These plans are referred to jointly as the **Rights Plans** and were reaffirmed by shareholders at the 2015 Annual General Meeting.

The Rights Plans are long-term incentive plans aimed at advancing the interests of Paladin by creating a stronger link between employee performance and reward and increasing shareholder value by enabling participants to have a greater involvement with, and share in, the future growth and profitability of Paladin. They are an important tool in assisting to attract and retain talented people.

SARs are granted under the Rights Plans for no consideration. SARs are a right to receive a bonus equal to the appreciation in Paladin's share price over a period. SARs benefit the holder with an increase in share price; the holder is not required to pay the exercise price, but rather just receives the amount of the increase in the price for Paladin Shares. The number of Paladin Shares ultimately issuable upon vesting of the SARs will vary as the number of Paladin Shares to be issued is based upon Paladin's relative share price growth over the relevant vesting periods. SARs granted under the FY2018 LTI Offer were granted in three tranches. The first tranche vested on 16 April 2018. The second and third tranche will only vest if the holder remains employed at the relevant vesting dates of 16 April 2019 and 16 April 2020.

The number of SARs able to be issued under the Rights Plans is limited to 5% of the issued capital. The 5% limit includes incentive grants under all plans made in the previous five years (with certain exclusions under the Corporations Act).

The Board is cognisant of general shareholder concern that long-term equity-based rewards should be linked to the performance of Paladin. The holder of a SAR only receives an amount equivalent to the share price increase (i.e. the net appreciation amount, which is the market price on exercise date minus market price on grant date) in Paladin Shares.

Paladin does not offer any loan facilities to assist in the purchase of shares by employees.

Shares Acquired Under the Rights Plans

Paladin Shares to be allocated to participants on vesting are currently issued from equity. No consideration is paid on the vesting of the SARs and resultant Paladin Shares carry full dividend and voting rights.

Change of Control

All SARs will vest on a change of control event.

Cessation of Employment

Under the Rights Plans, employees' SARs will be cancelled on cessation of employment, unless special circumstances exist such as retirement, total and permanent disability, redundancy or death. Contractors will have their SARs cancelled, other than on death at which point the contractor's legal representative will be entitled to receive them.

Share Appreciation Rights at the date of this Bidder's Statement

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 Oct 2015	1 Nov 2016	1 Nov 2021	A\$0.13	A\$0.20	2,242,500
20 Oct 2015	1 Nov 2017	1 Nov 2022	A\$0.13	A\$0.20	1,121,250
20 Oct 2015	1 Nov 2018	1 Nov 2023	A\$0.13	A\$0.20	1,121,250
3 Mar 2016	1 Nov 2016	1 Nov 2021	A\$0.10	A\$0.20	75,000
3 Mar 2016	1 Nov 2017	1 Nov 2022	A\$0.10	A\$0.20	37,500
3 Mar 2016	1 Nov 2018	1 Nov 2023	A\$0.10	A\$0.20	37,500
27 Sep 2016	11 Nov 2017	11 Nov 2022	A\$0.08	A\$0.20	654,000
27 Sep 2016	11 Nov 2018	11 Nov 2023	A\$0.08	A\$0.20	654,000
27 Sep 2016	11 Nov 2019	11 Nov 2024	A\$0.08	A\$0.20	654,000
16 Apr 2018	16 Apr 2018	16 Apr 2023	A\$0.17	A\$0.15	3,067,500
16 Apr 2018	16 Apr 2019	16 Apr 2024	A\$0.05	A\$0.15	1,750,000
16 Apr 2018	16 Apr 2020	16 Apr 2025	A\$0.07	A\$0.15	1,750,000
Total					13,164,500

3.23 Dividend history

No dividend has been paid during the previous financial year and no dividend is recommended for the current year.

3.24 Further information

Paladin is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Paladin is subject to the ASX Listing Rules which require continuous disclosure of any information Paladin has concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities, subject to limited exceptions.

ASX maintains files containing publicly disclosed information about all listed companies. Paladin's file is available for inspection at ASX during normal business hours.

Paladin is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Paladin may be obtained from, or inspected at, an ASIC office.

A list of the announcements Paladin has lodged with ASX since 28 August 2018 (being the date on which Paladin lodged its 2018 Annual Report on ASX) is set out in Annexure C to this Bidder's Statement.

A substantial amount of information about Paladin is available in electronic form from www.paladinenergy.com.au and on the ASX website.

3.25 Material Events since 30 June 2018

Within the knowledge of the Paladin Directors and other than as disclosed in this Bidder's Statement, including Paladin's 2018 Annual Report which is incorporated by reference into this Bidder's Statement under section 712 of the

Corporations Act), there has not been any other material change in the financial position of Paladin since 30 June 2018.

4. INDUSTRY OVERVIEW

Prior to the Japanese earthquake and resulting damage to the Fukushima Daiichi nuclear plant in Japan on 11 March 2011, the spot uranium (U_3O_8) price had rallied to a peak of US\$73.00 per pound in February 2011, reflecting the strong demand outlook for new nuclear reactor build-out globally. The long term contract price also peaked at US\$73.00 per pound in February 2011.

In response to Fukushima, countries with nuclear programmes ordered various safety reviews and, in some cases, stress tests, leading to predictable delays in the licensing and construction of new reactors. Now almost eight years after the earthquake, the impact of Fukushima continues to negatively affect the uranium market, but to a lesser degree.

During 2018, the uranium spot price averaged US\$22.92 per pound with a high of US\$26.58 per pound achieved on 4 September 2018 and a low of US\$20.32 per pound achieved on 18 April 2018. The uranium spot price is currently US\$26.58 per pound as at 4 September 2018. Uranium prices have increased since the beginning of 2018 as supply cuts have raised questions regarding the market's ability to meet demand requirements in the future.

Uranium spot price since 1 January 2018



Source: Ux Consulting Company - Uranium Daily Average Broker Price.

4.1 Demand Dynamics

As at August 2018, a total of 453 commercial nuclear reactors were connected to grids around the world and an additional 56 reactors under construction. China leads the group with 16 reactors currently under construction, followed by India (7), Russia (6), South Korea (4) and the United Arab Emirates (UAE) with (4). The number of reactors classified by the World Nuclear Association (WNA) as planned (being those with approvals, funding or commitments in place) is 152, whilst the number of proposed reactors (being those subject to specific programme or site proposals) is 335.

Nuclear demand forecasts were in decline post Fukushima due to all of the Japanese reactors being taken offline for safety inspections, a pause by China in its construction of reactors due to regulatory and technical reviews and then

Germany expediting a shutdown of its reactors due to political reasons. In recent years, much of the decline in global demand has been attributed to lower priced shale gas and subsidised renewable energy in the US and negative policy shifts resulting from leadership changes in countries such as South Korea and Taiwan.

Japan continues to remain an important part of future global uranium requirements. Prior to 2011, Japan was producing up to 30% of the country's electricity from its reactors, with ambitions to increase this to 40% by 2017. Japan's government has now officially called nuclear power an "important base-load energy source" in a draft basic energy plan, which expects nuclear energy to comprise 20-22% of electricity supply in 2030. This translates to approximately 30 operating reactors, which has been supported by the recent acceleration in reactor restarts. As at August 2018, there were 42 operable reactors in Japan with nine units in operation. Beyond already approved units, there are another 17 reactors that have had their restart applications submitted to the Nuclear Regulation Authority and are currently at some stage of review.

China's commercial nuclear build programme has slowed in recent years with no new reactors having started construction in 2017. This compares to six in 2015 and two in 2016. However, China's National Energy Administration (NEA) released plans for five new nuclear power reactors to be brought online in 2018 and construction to be started on a further six to eight units. In late June 2018, Sanmen Unit 1 became the world's first AP1000 to achieve grid. The second AP1000 unit at the Sanmen Nuclear Power Plant in China's Zhejiang Province has been connected to the electricity grid and has begun supplying power, connection and power generation. The 13th Five-Year Plan formalised in March 2016 included nuclear capacity reaching a target of 58 GWe by the end of 2020 (currently there are 42 reactors operating with a combined installed capacity of 39.6 GWe), plus 16.5 GWe under construction, with plans for up to 150 GWe by 2030.

Beyond this, we continue to see nuclear reactor construction expand into new regions. Turkey commenced construction of a reactor in Akkuyu, Bangladesh commenced construction of its first nuclear power reactor, whilst the United Arab Emirates completed construction on the first unit at Barakah.

4.2 Supply Dynamics

Global uranium supply for calendar year 2017 was over 154 million pounds, which was 8 million pounds lower than 2016 global uranium production of 162 million pounds. World production is projected to be a total of 136 million pounds for 2018, largely as a result of the decision by Cameco to indefinitely suspend operations at its McArthur River/Key Lake operation in Canada.

The majority of output in the uranium production sector has largely been driven by projects in Kazakhstan, with the Central Asian nation producing approximately 40% of global uranium production in 2017. Kazatomprom is Kazakhstan's national producer, importer and exporter of uranium, rare minerals and nuclear fuel.

In recent years, a persistently low uranium price has seen a number of uranium producers respond to the oversupply that has marred the industry for the past seven years. Production cuts announced by primary producers included:

1. In 2016, Cameco placed the Rabbit Lake operations on care and maintenance removing approximately 4 million pounds U₃O₈ production capacity

2. In January 2017, Kazatomprom cut output by 10% which removed an estimated 5.5 million pounds U_3O_8 out of the market.
3. In May 2018, Paladin announced placing the Langer Heinrich mine into care and maintenance, removing over 5 million pounds U_3O_8 production capacity.
4. In July 2018, Cameco announced it would suspend production at its McArthur River/Key Lake project indefinitely, removing approximately 18 million pounds U_3O_8 production capacity.
5. Other projects have seen announced output reductions, including Orano's Somair mine in Niger, and multiple US ISR projects – Energy Fuels' Nichols Ranch and Ur-Energy's Lost Creek.

The continuously falling uranium price since 2011 has contributed to declining revenues across the production sector, which has resulted in prolonged contraction and consolidation among uranium producers and developers. Consequently, the supply sector has had to adjust to remain sustainable, which has led to production cutbacks and deferrals among producers and placed added pressure on emerging producers and developers.

4.3 Long-Term Uranium Market

The WNA predicts in its report titled *The Nuclear Fuel Report: Global Scenarios for Demand and Supply Availability 2017-2035*, that global nuclear capacity continues to grow over the period to 2035 under both of its upper and reference scenarios, with installed capacity increasing by 70% and 35% respectively, both of which are higher than growth rates seen over the past 20 years.

Of the 56 reactors currently under construction, 59% are Chinese, Indian or other Asian countries. China completed 32 nuclear reactors between 2007 and 2018 and had 16 new reactors under construction in August 2018. China nuclear power growth has averaged close to a 20% annual increase in capacity since 2010. South Korea currently has 24 operating nuclear reactors with a further four under construction. The Middle East is also moving towards cleaner nuclear power, with the UAE currently actively building four reactors and Saudi Arabia commencing plans to build nuclear reactors.

Production cuts by Paladin, Cameco and Kazatomprom have assisted in reducing the forecast uranium surplus in coming years. Moving forward, the uranium price remains below the level to incentivise new or expanded uranium production and will likely need to increase to see any material increase in current global production. Furthermore, sustained downward pressure on uranium prices has placed many existing producers in a tenuous financial position, particularly as existing term contracts expire, which may lead to further production cuts.

5. PROFILE OF SUMMIT RESOURCES LIMITED

5.1 Disclaimer

This overview of Summit and all financial information concerning Summit contained in this Bidder's Statement has been prepared by Paladin using publicly available information.

The information in this Bidder's Statement concerning Summit has not been independently verified. Paladin does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Summit is not considered to be comprehensive.

5.2 Overview of Summit and its Projects

Summit is a uranium exploration company which has been listed on the ASX since 7 April 1994. Summit's Isa North project hosts a number of uranium prospects including the Valhalla, Odin, Skal and Bikini deposits. These deposits and multiple small prospects in the Mount Isa region of northwest Queensland are the principal focus of Summit's operations and are located 15km east and 65km north of the town of Mount Isa.

Summit has a 50% participating interest and is the manager of the Isa Uranium Joint Venture (Paladin owns the other 50% working interest), which covers ground containing the Valhalla, Odin and Skal uranium deposits.

Details of Summit's projects are set out in Section 3.9 above. As Paladin holds 82.08% of the issued capital in Summit, it reports Summit's projects as part of its own portfolio of projects as Summit is treated as a non-wholly owned subsidiary of Paladin.

5.3 Summit Board of Directors

As at the date of this Bidder's Statement, the directors of Summit are:

- (a) Mr Malcolm Randall - Non-Executive Chairman;
- (b) Mr Craig Barnes – Executive Director (nominee director of Paladin);
- (c) Mr David Berrie – Non-Executive Director.

5.4 Information about Summit securities

Based on material lodged by Summit with ASX, as at the date of this Bidder's Statement, Summit's issued securities consists of 217,981,769 fully paid ordinary shares.

5.5 Substantial shareholders of Summit

As at the date of this Bidder's Statement, so far as is known to Paladin based on publicly available information, the following persons are substantial shareholders of Summit:

Summit Shareholder	Number of Summit Shares	% of Summit issued share capital ¹
Paladin Energy Limited	178,911,682	82.08%
Orano Cycle (held through BNP Paribas Nominees Pty Ltd as custodian)	22,109,045	10.14%
Revelation Special Situations Fund Ltd (held through Citicorp Nominees Pty Limited as custodian)	10,189,249	4.67%

Notes:

- Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

5.6 Financial information

The summary historical financial information below has been extracted from Summit's audited financial statements for the years ended 30 June 2017 and 30 June 2016 and does not take into account the effect of the Offer.

Copies of Summit's annual reports from which the financial information was extracted can be found on Summit's website at www.summitresources.com.au. These reports also contain details of Summit's accounting policies. Summit Shareholders without internet access can obtain copies of these reports by contacting the Company Secretary of Summit on +61 8 9381 4366.

Statement of Financial Position	2017 (\$)	2016 (\$)
Total Assets	48,060,000	48,346,000
Total Liabilities	58,000	50,000
Total Equity	48,002,000	48,296,000

Income Statement	2017 (\$)	2016 (\$)
Rental interest income	62,000	64,000
Income tax benefit	-	-
Expenses	(356,000)	(1,335,000)
Profit/(Loss) for the year from continuing operations	(294,000)	(1,271,000)

Statement of Cash Flows	2017 (\$)	2016 (\$)
Net Cash Flows from Operating Activities	(197,000)	(130,000)
Net Cash Flows from Investing Activities	(393,000)	(351,000)
Net Cash Flows from Financing Activities	709,000	(17,000)

Statement of Cash Flows	2017 (\$)	2016 (\$)
Net Increase / (Decrease) in Cash and Cash Equivalents	119,000	(498,000)
Beginning Cash and Cash Equivalents	772,000	1,270,000
Ending Cash and Cash Equivalents	891,000	772,000

5.7 Further information on Summit

Summit is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Summit is subject to the ASX Listing Rules which require continuous disclosure of any information Summit has concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities, subject to limited exceptions.

ASX maintains files containing publicly disclosed information about all listed companies. Summit's file is available for inspection at ASX during normal business hours.

Summit is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Summit may be obtained from, or inspected at, an ASIC office.

A list of the announcements Summit has lodged with ASX since 28 September 2017 (being the date on which Summit lodged its most recent annual report with ASX) is set out in Annexure D to this Bidder's Statement.

A substantial amount of information about Summit is available in electronic form from www.summitresources.com.au and on the ASX website.

6. MERGED ENTITY

6.1 Approach

This Section 6 provides an overview of the Merged Entity assuming the successful completion of the Offer, in the various scenarios following the Offer, and the effect of the Offer on Paladin and Summit.

6.2 Disclaimer regarding Summit and the Merged Entity information

In preparing the information relating to Summit and the Merged Entity contained in this Bidder's Statement, Paladin has relied on publicly available information relating to Summit and this has not been independently verified by Paladin or the Paladin Directors. Risks may exist in relation to Summit (which may affect the Merged Entity) of which Paladin is unaware. If any material risks are known to the directors of Summit, they must be disclosed in the Target's Statement to be issued by Summit.

Accordingly, subject to any applicable laws, Paladin makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

6.3 Profile of the Merged Entity

If the Offer is successful, Eligible Shareholders will each receive one Paladin Share for every one Summit Share held by them on the Record Date. After the Bid Period, if Paladin becomes entitled to compulsorily acquire outstanding Summit Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares and all of Paladin's Shareholders (including Summit Shareholders who have received Paladin Shares pursuant to the Offer) will be shareholders in the Merged Entity.

6.4 Effect of completion of the Offer

Upon completion of the Offer, the Merged Entity will be a uranium mining and exploration company with potential for near term production, greater market capitalisation, financial capacity for project expansion and development, will achieve a strengthening and simplification of the current management arrangements and should achieve cost savings by reducing corporate overheads.

6.5 Effect on the assets and operations of the Merged Entity

The Merged Entity will create a uranium business with a strategic portfolio of developed mines and a globally diversified quality suite of exploration projects.

6.6 Effect of the Offer on Paladin's corporate and capital structure

Following completion of the Offer, the Merged Entity is expected to have the following key attributes:

- (a) it will be a strong uranium mining company with a strategic tier one mine and significant uranium production capacity;
- (b) unhedged, pure play exposure to uranium;
- (c) one of the only independent, publicly listed, large-scale uranium producers in the world;

- (d) leverage to a rising uranium market greatly enhanced by the ability to grow organically through a re-start of its mines and its quality suite of exploration and development assets;
- (e) enhanced scale and market relevance, including greater exposure to a global and expanding retail and institutional investor base giving greater funding flexibility; and
- (f) the Merged Entity will be run by Paladin's existing strong board and management team, which has significant depth of technical and corporate expertise.

Following completion of the Offer (and compulsory acquisition of any outstanding Summit Shares), Summit and its subsidiaries will become a wholly owned subsidiary of Paladin. The Paladin Group's corporate structure will otherwise remain unchanged.

6.7 Effect of the Offer on the Merged Entity capital structure

Under the Offer, Paladin is offering to issue Paladin Shares to Eligible Shareholders.

The effect of the Offer on the capital structure of Paladin on a post-completion basis is set out in the below table:

Securities	Number
Shares	
Current Paladin Shares ¹	1,713,014,185
Paladin Shares issued pursuant to the Offer ²	39,070,087
TOTAL	1,752,084,272
Share appreciation rights¹	
2015 Share appreciation rights	4,635,000
2016 Share appreciation rights	1,962,000
2018 Share appreciation rights	6,567,500
TOTAL	13,164,500
Options	
Unlisted Options exercisable at \$0.30 on or before 8 November 2018	1,000,000
Unlisted Options exercisable at \$0.40 on or before 23 December 2018	1,000,000
TOTAL	2,000,000

Notes

1. The rights attaching to the Paladin Shares are summarised in Section 3.19 and based on Paladin's constitution.
2. The above table assumes that Paladin acquires all Summit Shares it does not already own and no Paladin Options are exercised or Paladin Shares are issued (other than under the Offer).

6.8 Substantial Shareholders

The substantial holders of Paladin as at the date of this Bidder's Statement and following completion of the Offer, so far as is known to Paladin based on publicly available information, are as follows:

Substantial Holder	Paladin Shares Pre-Takeover	Pre-Takeover %	Paladin Shares Post-Takeover	Post-Takeover %
Tembo Capital Mining Fund II LP and related entities ²	223,589,744	13.05%	223,589,744	12.76%
Paradice Investment Management Pty Ltd	170,303,351	9.94%	170,303,351	9.72%
Value Partners Greater China High Yield Income Fund and related funds	167,057,474	9.75%	167,057,474	9.53%
HOPU Clean Energy (Singapore) Pte Ltd	120,382,383	7.03%	120,382,383	6.87%
Royal Bank of Canada (RBC) and its related bodies corporate	110,557,576	6.45%	110,557,576	6.31%
China Investment Corporation (CIC) and its controlled entities	96,131,600	5.61%	96,131,600	5.49%

Notes:

1. The above table assumes that Paladin acquires all Summit Shares it does not already own, none of the existing Paladin substantial holders are Summit Shareholders and no Paladin Options are exercised or Paladin Shares are issued (other than under the Offer). The above table does not take into account rounding.
2. Paladin Director, Mr John Hodder, as a co-founding principal of Tembo Capital Management Ltd controls 223,589,744 Paladin Shares through its holding in Paladin under the entity Ndovu Capital XII BV.

6.9 Offer Consideration

Under the Offer, accepting Eligible Shareholders will be issued one Paladin Share for every one Summit Share held, implying a theoretical value of 20 cents per Summit Share based on the last traded price for Paladin Shares prior to the announcement of Paladin's intention to make the Offer. Based on Paladin's closing price of 18 cents on 6 September 2018 (being the last practicable trading date prior to finalisation of this Bidder's Statement), the implied value for Summit is approximately \$39.2 million or 18 cents per Summit Share.

Based on the number of Summit Shares on issue on the day before the date of this Bidder's Statement, the maximum number of Paladin Shares which would be required to be issued under the Offer if every Summit Shareholder accepted the Offer and was an Eligible Shareholder is 39,070,087 Paladin Shares (subject to rounding).

6.10 Basis for preparation of the unaudited pro forma consolidated statement of financial position of the Merged Entity

The unaudited pro forma consolidated statement of financial position of the Merged Entity has been prepared in connection with the proposed acquisition of Summit by Paladin. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the acquisition by Paladin pursuant to the assumptions described in

Section 6.12 and gives effect to the transaction by Paladin as if it had occurred as of 30 June 2018.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board.

In preparing the Merged Entity unaudited pro forma consolidated statement of financial position, the following historical information was used:

- (a) the historical consolidated statement of financial position from Paladin's financial statements for the financial year ended 30 June 2018 (summarised in Section 3.14.1); and
- (b) it was not necessary to use the historical consolidated statement of financial position from Summit's financial statements for the financial year ended 30 June 2018 because Summit is already included in Paladin's consolidated financial statements as a controlled entity.

6.11 Merged Entity 30 June 2018 pro forma consolidated statement of financial position

HISTORICAL AND ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018 AFTER GIVING EFFECT TO THE PROPOSED ACQUISITION OF SUMMIT BY PALADIN

	Historical US\$'000	Adjustments US\$'000	Adjusted (unaudited) US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	39,166	(164)	39,002
Restricted cash	11,072	-	11,072
Trade and other receivables	8,121	-	8,121
Prepayments	1,511	-	1,511
Inventories	10,717	-	10,717
TOTAL CURRENT ASSETS	70,587	(164)	70,423
Non current assets			
Trade and other receivables	374	-	374
Property, plant and equipment	223,986	-	223,986
Mine development	28,142	-	28,142
Exploration and evaluation expenditure	76,439	-	76,439
Intangible assets	10,093	-	10,093
TOTAL NON CURRENT ASSETS	339,034	-	339,034
TOTAL ASSETS	409,621	(164)	409,457

LIABILITIES			
Current liabilities			
Trade and other payables	12,971	-	12,971
Provisions	5,249	-	5,249
TOTAL CURRENT LIABILITIES	18,220	-	18,220
Non-current liabilities			
Interest bearing loans and borrowings	103,883	-	103,883
Other interest bearing loans - CNNC	93,330	-	93,330
Provisions	87,427	-	87,427
Unearned revenue	-	-	-
TOTAL NON CURRENT LIABILITIES	284,640	-	284,640
TOTAL LIABILITIES	302,860	-	302,860
NET ASSETS	106,761	(164)	106,597
EQUITY			
Contributed equity	2,301,286	5,548	2,306,834
Reserves	(62,769)	(1,387)	(64,156)
Accumulated losses	(2,002,644)	(164)	(2,002,808)
Parent interests	235,873	3,997	239,870
Non-controlling interests	(129,112)	(4,161)	(133,273)
TOTAL EQUITY	106,761	(164)	106,597

6.12 Effect of transaction on the unaudited pro forma statement of financial position

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to Paladin's proposed acquisition of Summit.

The pro forma adjustment reflects:

- (a) the issue of 39,070,087 Paladin Shares under the Offer at \$0.195 per share (being the closing price for Paladin Shares on ASX on 31 August 2018); and
- (b) the estimated merger costs of approximately US\$164,000 include anticipated cash costs for legal, taxation, accounting and financial advisors.

6.13 Outlook for the Merged Entity

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to the Merged Entity.

Paladin has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Entity. However, the Paladin Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Entity.

6.14 Dividends

Paladin expects that dividends are unlikely to be available from the Merged Entity for the immediately foreseeable future.

Any future determination as to the payment of dividends by Paladin will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of Paladin, future capital

requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Paladin.

7. INTENTIONS OF PALADIN ENERGY LIMITED

7.1 Introduction

The intentions of Paladin in relation to Summit are set out in this Section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Summit, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Paladin in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

7.2 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Paladin's current expectations and predictions about future events including Paladin's intentions (which include those set out in this Section 7). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Paladin, Summit and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 9).

None of Paladin, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

7.3 Rationale for the Offer

Paladin makes the Offer for Summit in line with its continued cost optimisation initiatives. Paladin already owns 82.08% of Summit and by purchasing the shares owned by third-party shareholders and de-listing Summit from ASX, 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 Paladin providing them ownership of a larger uranium entity with several projects around the World and significantly more liquidity in trading of its shares. 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.

7.4 Paladin's Intentions Regarding Summit

7.4.1 Overview

Subject to the below, it is the present intention of Paladin, on the basis of the information concerning Summit which is known to Paladin and the existing circumstances affecting the business of Summit, that:

- (a) the business of Summit will otherwise be continued in substantially the same manner as it is presently being conducted; and
- (b) no other major changes will be made to the business of Summit.

The current intentions of Paladin may change in light of material facts and circumstances at the relevant time.

Following a period of review the value accretive treatment of the assets not central to the strategy of near term production will be presented to the Paladin board to assess and determine the future treatment of those assets. Paladin will also continue to assess its size and composition as the activities of Paladin change.

7.4.2 Intentions upon acquisition of more than 75% of Summit Shares the subject of the Offer

If, as a result of the Offer, Paladin becomes entitled to compulsorily acquire outstanding Summit Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares.

Paladin then intends to undertake the steps outlined in Section 7.4.1 above and delist Summit from the ASX, subject to the required regulatory approvals.

7.4.3 Intentions upon gaining less than 75% of Summit Shares subject of the Offer

Paladin may waive the satisfaction of the Conditions in its sole discretion.

Paladin has not decided at this stage whether it will free the Offer from the minimum acceptance condition (described in Section 9(a) of Annexure A) or any other Condition.

If, following the close of the Offer, Summit remains a controlled entity, but not a wholly owned subsidiary of Paladin, Paladin presently intends, subject to the following, and to the extent possible, and appropriate, to implement the objectives and goals mentioned in Section 7.4.1 above.

The extent to which Paladin will be able to implement these intentions will be subject to:

- (a) the Corporations Act and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests; and
- (b) the legal obligation of the directors of Summit to act for proper purposes and in the best interests of Summit shareholders as a whole.

Having regard to this and, in particular, the possible requirements of minority shareholder approval, it is possible that Paladin may not be able to implement some of these intentions.

8. AUSTRALIAN TAX CONSIDERATIONS

This section provides a general summary of the Australian income tax, GST and stamp duty considerations for Summit Shareholders associated with the Offer (subject to the exclusions below).

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and stamp duty implications that could apply to Summit Shareholders in relation to the Offer. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only Summit Shareholders that are individuals, complying superannuation funds and corporate shareholders that hold their shares on capital account have been considered in this summary. In particular, our comments are not intended to cover Summit Shareholders, who:

- are exempt from Australian income tax;
- hold their Summit Shares on revenue account or as trading stock;
- are partnerships, persons that are partners of such partnerships;
- hold their Summit Shares through a trust that is not a complying superannuation fund;
- acquired their Summit Shares, or any rights in relation to Summit Shares, under an employee share scheme or similar employee incentive plan;
- acquired their Summit Shares before 20 September 1985;
- are under a legal disability; or
- are subject to the taxation of financial arrangements rules in Division 230 of the Tax Act in relation to gains and losses on their Summit Shares.

This summary is based upon Australian taxation law and administrative practice in effect as at the date of this Bidders Statement. This summary is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. Summit has not sought a class ruling for the Summit Shareholders in relation to the Offer and therefore, a risk remains that the ATO may not agree with this summary or aspects of it.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of participating in the Offer. It does not consider any specific facts or circumstances that may apply to particular Summit Shareholders. As the tax consequences to Summit Shareholders of participating in the Offer will depend on each Summit Shareholder's individual circumstances, all Summit Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of the Offer according to their own particular circumstance.

8.1 Australian Tax Resident Shareholders

This Section applies to Summit Shareholders, who are residents of Australia for Australian income tax purposes, that hold their Summit Shares on capital account.

(a) Capital Gains Tax (CGT) Event

Under the Offer, Summit Shareholders will dispose of their Summit Shares to Paladin in exchange for the Offer Consideration, comprising issued shares in Paladin. The disposal of the Summit Shares to Paladin under the Offer will give rise to a CGT event for Summit Shareholders. The time of the CGT event for the Summit Shareholders should be the date the Summit Shares are disposed of, which will occur on the Implementation Date.

In the absence of CGT roll-over relief (discussed below), the following tax consequences are expected to arise for the Summit Shareholders that acquired (or are deemed to have acquired) their Summit Shares on or after 20 September 1985:

- a capital gain will be realised to the extent the capital proceeds received by the Summit Shareholders from the disposal of their Summit Shares exceed the cost base of those shares; or
- a capital loss will be realised to the extent that capital proceeds received by the Summit Shareholders from the disposal of their Summit Shares are less than the reduced cost base of those shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules apply to companies to limit their availability in future years in certain circumstances. Summit Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Capital proceeds

The capital proceeds on the disposal of the Summit Shares should be equal to the Offer Consideration received by the Summit Shareholders.

The capital proceeds will be equal to the market value of the Paladin Shares received by the Summit Shareholders at the Implementation Date. Summit will determine the relevant market value of the Paladin Shares to the Summit Shareholders following the completion of the Offer and publish this on the Summit and Paladin investor websites.

(c) Cost base and reduced cost base of a Summit Share

The cost base of a Summit Share will generally be equal to the cost of acquiring the Summit Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Summit Share is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Summit Shareholder's individual circumstances. The cost base and reduced cost base of each Summit Share will depend on the individual circumstances of each Summit Shareholder.

(d) Indexation

Certain Summit Shareholders who acquired their Summit Shares at or before 11:45am on 21 September 1999 can choose to increase the cost base of their Summit shares for indexation based on the "consumer price index" movement from the date of acquisition to 30 September 1999. Only individuals, complying superannuation funds, trusts and listed investment companies can choose to apply indexation. Other types of taxpayers do not qualify.

Summit Shareholders who choose to apply indexation forego the opportunity to apply the CGT Discount (discussed below at (e)). In addition, indexation is not included in determining the reduced cost base. This means that indexation cannot increase the amount of a capital loss.

(e) CGT Discount

The CGT Discount may apply to Summit Shareholders that are individuals, complying superannuation funds, who have held, or are taken to have held, their Summit Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Summit Shares.

The CGT Discount is:

- one-half if the Summit Shareholder is an individual: meaning only 50% of the capital gain (without any allowance for indexation) will be included in assessable income; and
- one-third if the Summit Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain (without any allowance for indexation) will be included in assessable income.

The CGT Discount is not available to Summit Shareholders that are companies, or Summit Shareholders who choose for indexation to apply (described above).

If a Summit Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the Summit Shareholder's net capital gain for the income year and included in assessable income.

(f) Scrip-for-scrip roll-over relief

Summit Shareholders who make a capital gain from the disposal of their Summit Shares may be eligible to choose CGT scrip-for-scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip-for-scrip roll-over relief enables Summit Shareholders to disregard the capital gain they make from the disposal of their Summit Shares under the Offer.

For roll-over relief to be available, Paladin must increase its interest in Summit over 80% (including shares it held in Summit before the Offer), the Summit Shareholder must make a capital gain upon disposal of their Summit Shares, and have acquired their Summit shares after 20 September 1985. If a capital loss arises, no scrip-for-scrip roll-over relief is available.

Summit Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(g) Consequences of choosing CGT scrip-for-scrip roll-over relief

If a Summit Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Summit Shares under the Offer should be disregarded.

Further, the first element of the cost base for their Paladin Shares will be the same as their existing cost base of the Summit Shares exchanged under the Offer (i.e. 1:1 basis). The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Paladin Shares is taken to be the date when the Summit Shareholder originally acquired their Summit Shares.

(h) Consequences if CGT scrip for scrip roll-over relief is not available or is not chosen

If a Summit Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Summit Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined above at paragraph 8.1 (a) will apply.

If a Summit Shareholder makes a capital loss from the disposal of their Summit Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

8.2 Foreign tax resident shareholders

This Section applies to Summit Shareholders that are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) and hold their Summit Shares on capital account. It does not apply to Summit Shareholders who have held their Summit Shares at any time in carrying on a business at or through a permanent establishment in Australia.

Foreign tax resident Summit Shareholders who hold their Summit Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Summit Shares, provided their Summit Shares are not an "indirect Australian real property interest" as at the time of disposal.

Broadly, a Summit Shareholder's Summit Shares will not be an indirect Australian real property interest unless both the following conditions are satisfied:

- the foreign tax resident Summit Shareholder and their associates (as defined for tax purposes) together hold 10% or more (by value) of the issued shares in Summit at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Summit Shares; and
- the aggregate market value of Summit assets which are taxable Australian property (being direct and indirect interests in real property, including land, leases of land and property affixed to land, situated in Australia) exceeds the aggregate market value of Summit assets which are not taxable Australian property.

Summit management has determined that the aggregate market value of Summit's assets, which are taxable Australian property, exceed the aggregate market value of Summit's assets which are not taxable Australian property.

Accordingly the above conditions should be satisfied by any foreign tax resident Summit Shareholder and their associates (as defined for tax purposes) who together hold 10% or more (by value) of the issued shares in Summit at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Summit Shares.

Foreign Resident CGT Withholding Rules

The foreign resident CGT withholding tax rules were enacted on 25 February 2016, with effect for transactions occurring from 1 July 2016. Effective from this date, unless an exemption applies, a buyer (in this case Paladin) is required to withhold and pay to the Commissioner an amount equal to 12.5% of the capital proceeds paid for the acquisition of Summit Shares (i.e. 12.5% of the market value of the Paladin Shares issued to acquire the Summit Shares).

Whilst foreign resident CGT withholding tax rules aim to facilitate the collection of CGT from foreign resident sellers, it can be triggered even if the seller is, in fact, an Australian tax resident. However, this is only to the extent:

- a Summit Shareholder's Summit shares are an indirect Australian real property interest;
- a Summit Shareholder and their associates (as defined for tax purposes), together hold 10% or more (by value) of the issued shares in Summit at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Summit Shares and the Summit Shareholders.

8.3 GST implications for Summit Shareholders

No GST will be payable by Summit Shareholders on the acquisition by Paladin of their Summit Shares under the Offer, or on the receipt by Summit Shareholders of Paladin Shares as the Offer Consideration. Summit Shareholders who are registered for GST may not be entitled to input tax credits (or only entitled to reduced input tax credits) for any GST incurred on costs associated with the disposal of their Summit Shares.

8.4 Stamp Duty implications for Summit Shareholders

No stamp duty should be payable by the Summit Shareholders on the acquisition by Paladin of their Summit Shares under the Offer or on the receipt by Summit Shareholders of Paladin Shares as the Offer Consideration.

9. RISK FACTORS

9.1 Overview

If the Offer becomes unconditional or the Conditions are satisfied or waived, Summit Shareholders who accept the Offer will become Paladin Shareholders. In those circumstances, Summit Shareholders will:

- (a) continue to be exposed to the risks associated with the investment in Summit as a result of their indirect interest in Summit through Paladin;
- (b) be exposed to the risks which are specific to an investment in Paladin; and
- (c) be exposed to additional risks relating to the Offer and the Merged Entity.

These risks are explained below. Summit Shareholders should read this Bidder's Statement carefully and consult their professional advisors before deciding whether to accept the Offer. By accepting the Offer, Summit Shareholders will be investing in Paladin.

The business activities of Paladin and the Merged Entity are subject to various risks that may impact on the future performance of Paladin and the Merged Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Paladin and the Merged Entity and cannot be mitigated.

Accordingly, an investment in the Merged Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following risks set out below. The risks are general only and do not take into account your individual objectives, financial situation or needs. You should carefully consider the following risk factors, as well as other information provided by Paladin, and consult your professional advisers before deciding whether to accept the Offer.

9.2 Risks Relating to the Offer

9.2.1 Conditions of the Offer

As described in Section 9 of Annexure A of the Bidder's Statement, the Offer is subject to a number of Conditions.

Subject to any statutory withdrawal rights that may be available (see Section 6 of Annexure A of the Bidder's Statement), Summit Shareholders who accept the Offer whilst it still remains conditional will no longer be able to trade their Summit Shares on the ASX or withdraw their acceptance of the Offer. Summit Shareholders should be aware that the market price of Summit Shares may exceed the implied price under the Offer during the Offer Period.

For those Summit Shareholders who accept the Offer and the Conditions remain unsatisfied at the end of the Offer Period and are not otherwise waived by Paladin, there is no obligation on Paladin to issue Paladin Shares to you as consideration for your Summit Shares. In those circumstances, any acceptances of the Offer will be void and you would then be free to deal with your Summit Shares.

9.2.2 Limited withdrawal rights

As described in Section 6 of Annexure A of the Bidder's Statement, Summit Shareholders may only withdraw their acceptance of the Offer in limited circumstances. Otherwise, Summit Shareholders will be unable to withdraw their acceptances, even if the value of the Paladin Shares to be issued to Summit Shareholders as consideration varies from the date of their acceptance.

9.2.3 Issue of Paladin Shares as consideration

Eligible Shareholders are being offered specific quantities of Paladin Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Paladin Shares at any given time.

Furthermore, some of the holders of Summit Shares that receive Paladin Shares as consideration under the Offer may not intend to continue to hold those Paladin Shares and may wish to sell them on ASX. There is a risk that if a significant number of holders of Summit Shares seek to dispose of their Paladin Shares, this may adversely impact the price of Paladin Shares.

Accordingly, the market value of the Paladin Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to Summit Shareholders increasing or decreasing.

9.3 Risks relating to the Merged Entity

This Section 9.3 sets out risks that are specific to Paladin and Summit as the Merged Entity.

9.3.1 Demand for nuclear generation, competition from alternative energy and public perception

The impact of Fukushima negatively affected the uranium market, principally by reducing demand and impacting the spot price for uranium. Nuclear energy is in direct competition with other more conventional sources of energy, including gas, coal and hydroelectricity and is the subject of negative public opinion due to political, technological and environmental factors, including Fukushima. This may have a negative impact on the demand for uranium.

9.3.2 Production risk

Paladin's two fully built mines, the Langer Heinrich Mine in Namibia and the Kayelekera Mine in Malawi, are currently on care and maintenance. There can be no guarantee that the uranium price will recover sufficiently to justify a return to production in the near term or at any time.

Should Paladin's existing mines return to production, ongoing production and commissioning of staged expansions to production may not proceed to plan, with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production. These potential delays or difficulties may necessitate additional funding which could lead to additional equity or debt requirements for the Merged Entity. In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made, such as a fall in the price of uranium. These potential scope changes and/or cost overruns may lead also to reductions in revenues and profits and/or additional funding requirements.

The Merged Entity's activities may be affected by numerous other factors beyond the Merged Entity's control. Should Paladin's existing mines return to production, mechanical failure of the Merged Entity's operating plant and equipment and general unanticipated operational and technical difficulties may adversely affect the Merged Entity's operations. Operating risks beyond the Merged Entity's control may expose it to uninsured liabilities. The business of mining, exploration and development is subject to a variety of risks and hazards such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards and the use of contractors including contract miners. Such occurrences may delay production, increase production costs or result in damage to and destruction of, mineral properties or production facilities, personal injury, environmental damage and legal liability. The Merged Entity has insurance to protect itself against certain risks of mining and processing within ranges of coverage consistent with industry practice. However, the Merged Entity may become subject to liability for hazards that it cannot insure against or that it may elect not to insure against because of high premium costs or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a material adverse effect on its financial condition and results of operations.

9.3.3 Speculative nature of mineral exploration and development

Development of the Merged Entity's mineral exploration properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk increases substantially when a company's properties are in the exploration phase as opposed to the development, construction and operational phase. There is no assurance that commercial quantities of ore will be discovered on any of the Merged Entity's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production.

The discovery of mineral deposits is dependent upon a number of factors including, the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure, metal prices and government regulations, including the availability of required authorisations, permits and licences and regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Successful development is also subject to a number of operational and other risks, including unexpected geological formations, conditions involved in the drilling and removal of material (which could result in damage and/or destruction to plant and equipment, loss of life or property, environmental damage and possible legal liability), obtaining governmental and stakeholder approvals, changes in reserves, commodity prices, exchange rates, construction costs, design requirements, delays in construction and expansion plans.

In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

9.3.4 Resources and reserves estimates

The mineral resources and ore reserves for the Merged Entity's assets are estimates only and no assurance can be given that any particular recovery level will in fact be realised. The Merged Entity's estimates are prepared in accordance with the JORC Code 2004 or 2012 (as applicable), but they are expressions of judgment from qualified professionals based on knowledge, experience, industry practice and resource modelling. As such, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or revision. Adjustments and revisions to resources and reserves could in turn affect the Merged Entity's development and mining plans, including the ability to sustain or increase levels of production in the longer term.

Often, resources and reserve estimates are appropriate when made, but may change significantly over time as new information becomes available. Should the Merged Entity encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, estimates may need to be adjusted in a way that could adversely affect the Merged Entity's operations and may have an impact on development and mining plans.

There is also a risk that exploration targets will not be met and resources cannot be converted into reserves.

9.3.5 Uncertainty relating to Inferred Mineral Resources

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated resources or proven or probable mineral reserves as a result of continued exploration.

9.3.6 Security of tenure

All tenements in which the Merged Entity has interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant Ministries in Western Australia, Queensland, Canada, Namibia and Malawi. The maintenance of tenements, obtaining renewals, or getting tenements granted, often depends on the Merged Entity being successful in obtaining required statutory approvals for proposed activities. While the Merged Entity anticipates that subsequent renewals or mineral tenure grants will be given as and when sought, there is no assurance that such renewals or grants will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

9.3.7 Australia's uranium policy

At the national level of Australian politics, both the Federal Coalition parties and the Federal Labor Party support development of the uranium industry. However, the granting of licences to mine uranium is a decision made within the residual jurisdiction of each State government and the government of the Northern Territory (NT).

The State Labor government of South Australia supports existing mines and is receptive to new uranium projects. The State Labor government of the NT also generally supports existing mines and is receptive to new uranium projects.

A State election held in Western Australia (**WA**) on 11 March 2017 resulted in the Australian Labor Party coming into power. On 20 June 2017, the State Labor government reintroduced a no-development mining policy. The policy reverses the previous Liberal-National Party coalition's policy allowing for uranium mining in WA over the past eight years. The policy institutes a ban on all future grants of mining leases, with the exception of projects that have been granted State Ministerial approval by the former government.

The State Labor government of Queensland permits uranium exploration, but bans uranium mining. To progress the currently estimated uranium mineral resources in the Mount Isa region to mineral reserve status will require the support of the Queensland state government.

Through membership of industry bodies, such as the Australian Uranium Association and the Queensland Resources Council, Paladin is involved in initiatives focused on facilitating Labor government support. There can be no assurance that State or Territory governments that currently permit uranium mining will continue to do so, or that they will not be replaced in elections with governments that will re-institute the moratorium on uranium mining in Australia, or that uranium mining will be allowed in WA or Queensland. Any adverse change in State or Territory governmental policy may materially adversely affect the financial condition and results of operations of the Merged Entity.

9.3.8 Aboriginal Title and consultation issues – Michelin Project

The Michelin Project is located within the traditional territory of the Inuit residing in Labrador, Canada. The area is governed by a modern day treaty which recognises the Inuit of Labrador's right to self-government through the Inuit Nunatsiavut Government. Five of Paladin's deposits that comprise the Michelin Project fall within the Labrador Inuit Lands, use and access to which are governed by the Inuit Nunatsiavut Government.

Development of the Michelin Project requires the collaboration and support of the Inuit and potentially other aboriginal groups. There can be no assurance that title claims as well as related consultation issues will not arise on or with respect to the Merged Entity's properties, or with respect to access to the properties, that comprise the Michelin Project. Failure to resolve such issues could result in delays to a potential project development.

9.3.9 Native Title

In the context of interests of native and/or indigenous peoples in Australia, the *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. The risks arising because of native title and aboriginal land rights may affect the Merged Entity's ability to gain access to prospective exploration areas to obtain production titles. Mining tenement applications and existing tenements may be affected by native title claims or procedures (which may preclude or delay the granting of exploration and mining tenements), with the possibility of considerable expenses and delays involved in negotiating and resolving issues or obtaining clearances. Compensatory obligations may be necessary in settling native title claims lodged over any of the tenements held or acquired by the Merged Entity. The level of impact of these matters will depend, in part, on the location and status of the Merged Entity's tenements.

9.3.10 Government regulations

Paladin's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of Paladin's properties, the extent of which cannot be predicted.

In the context of environmental permitting, including the approval of reclamation plans, Paladin must comply with known standards, existing laws and regulations which may entail greater costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Paladin's operations.

Paladin's ability to exploit mineral resources and its other activities are also subject to obtaining necessary authorisation, permits and licences from relevant authorities. Such authorisations, permits and licences may not be granted in a timely manner or at all, or may be granted on conditions which impose significant additional cost on Paladin and/or other participants in its joint ventures or which causes Paladin and/or such other participants in its joint ventures to become unwilling to proceed with the relevant development or operations.

While it is possible that costs and delays associated with compliance with such laws, regulations and permits could become such that Paladin will not proceed with the development or operation of a mine, Paladin is not aware of any material environmental constraint affecting its proposed mining activities or exploration properties that would preclude the economic development or operation of any specific mine or property except as otherwise described in this Bidder's Statement.

9.3.11 Climate change risk

Increased regulation of greenhouse gas emissions could adversely affect the Merged Entity's cost of operations. Mining of mineral resources including uranium is relatively energy intensive and depends on fossil fuels. Regulatory change by governments in response to greenhouse gas emissions may represent an increased cost to the Merged Entity impacting profitability. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets or the introduction of a carbon tax in any jurisdiction in which the Merged Entity operates is likely to raise energy costs and costs of production.

9.3.12 Foreign operations

Paladin's operations in Namibia and Malawi are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of

inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the countries in which it operates may adversely affect the Merged Entity's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, black economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the Merged Entity's operations or profitability.

9.3.13 Failure of basic infrastructure

Infrastructure in most of Africa for utilities such as electricity and water supply is under strain and underdeveloped. Paladin depends on the reliable and continuous delivery of sufficient quantities of power to its projects, including through delivery of diesel to run generators to power the Kayelekera project which is not connected to a power grid. A serious failure of basic infrastructure or occurrences of power outages across the country could adversely affect production at the Merged Entity's operations in Africa.

9.3.14 Project profitability

Should Paladin's existing mines return to production, the Merged Entity cannot provide assurance of its ability to operate its projects profitably. While the Merged Entity intends to restart Paladin's existing mines (if the uranium price recovers sufficiently to justify a return to production) and to generate working capital through operating those mines, there is no assurance that if Paladin's existing mines return to production the Merged Entity will be capable of generating positive cash flows on a consistent basis or that any such funds will be available for exploration and development programmes.

9.3.15 Liquidity concerns and future financing

Further exploration and development of the various mineral properties in which the Merged Entity holds interests depend upon the Merged Entity's ability to obtain financing through operational cash flows, joint ventures, debt financing, equity financing or other means.

In addition, the Merged Entity is required in the ordinary course of operations and development to provide financial assurances, including insurances and performance bond or bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. The Merged Entity's ability to provide such assurances is subject to the willingness of

financial institutions and other third party providers of such assurances to issue such assurances for the Merged Entity's account.

Volatile markets for mineral commodities or the factors affecting financial institutions and other third parties' assessments of the Merged Entity may make it difficult or impossible for the Merged Entity to obtain facilities for the issuance of such financial assurances or of other debt financing or equity financing on favourable terms or at all. Failure to obtain such facilities or financing on a timely basis may cause the Merged Entity to postpone its development plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations, which may have a material adverse effect on the Merged Entity's financial position and performance.

9.3.16 Logistics

Should Paladin's existing mines return to production, the Merged Entity will depend on the availability and affordability of reliable transportation facilities, infrastructure and certain suppliers to deliver its products to market. A lack of these could impact Merged Entity's production and development of projects.

Logistical risk relates to long supply lines and lack of engineering and other support facilities close to the Merged Entity's operating sites. In Africa, the transshipment of uranium concentrate through neighbouring countries for export could be subject to disruptions through transshipment licensing delays, political disputes and natural disasters.

9.3.17 Ability to retain key personnel

Retaining qualified personnel is critical to the Merged Entity's success. The Merged Entity may face risks from the loss of key personnel, as it may be difficult to secure and retain candidates with appropriate experience and expertise. One or more of the Merged Entity's key employees could leave their employment, and this may adversely affect the Merged Entity's ability to conduct its business and, accordingly, affect the profitability, financial position and performance and prospects of the Merged Entity. The Merged Entity's success also depends on its ability to identify, attract, accommodate, motivate and retain additional suitably qualified personnel. The number of persons skilled in the acquisition, exploration, development and operation of mining properties is limited and competition for such persons is high. In addition, the lack of infrastructure in the nearby surrounding areas and the shortage of a readily available labour force in the mining industry, the Merged Entity may experience difficulties retaining the requisite skilled employees in Malawi and Namibia. If the Merged Entity's business activity grows, it will require additional personnel to meet its growing needs. If the Merged Entity is unable to access and retain the services of a sufficient number of qualified personnel, this could be disruptive to the Merged Entity's development and may materially adversely affect its profitability, financial position and performance and prospects.

While the Merged Entity has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant country governmental authorities which regulates its operations. Adverse changes in such legislation may also have a material adverse effect on the Merged Entity's business.

9.3.18 Failures in the supply chain for specialist equipment and materials

Should Paladin's existing mines return to production, the Merged Entity will operate within a complex supply chain depending on suppliers of raw materials,

services, equipment and infrastructure to ensure its mines and process plants can operate and on providers of logistics to ensure products are delivered. Failure of significant components of this supply chain due to strategic factors such as business failure or serious operational factors, could have an adverse effect on the Merged Entity's business and results of operations.

9.3.19 Changes in the cost of supply of key inputs

Should Paladin's existing mines return to production, the Merged Entity's operations will be resource intensive and, as a result, its costs and net earnings may be adversely affected by the availability or cost of energy, water, fuel or other key inputs. If the prices of key inputs rise significantly more than expected, or if the Merged Entity experiences interruptions in, or constraints on, its supply of key inputs, the Merged Entity's costs could increase, and its results could be adversely affected.

9.3.20 Contractors

Part of the Merged Entity's commercial practice will involve sub-contracting various services. Although sub-contracted services will be supervised by the Merged Entity's employees, such arrangements with contractors carry with them risks associated with the possibility that the contractors may (i) have economic or other interests or goals that are inconsistent with the Merged Entity's, (ii) take actions contrary to the Merged Entity's instructions or requests, or (iii) be unable or unwilling to fulfil their obligations.

There can be no assurance the Merged Entity will not experience problems with respect to its contractors in the future or that it will be able to find replacement contractors on similar terms in the event that contractors do not perform as the Merged Entity expects and this may materially and adversely affect its business, results of operations, financial condition and prospects.

9.3.21 Failure to make or integrate acquisitions

The Merged Entity's business involves the acquisition and disposal of business ventures or interests in business ventures from time to time. Business combinations entail a number of risks including the effective integration of acquisitions (including the realisation of synergies), significant one-time write-offs or restructuring charges and unanticipated costs and liabilities. All of these may be exacerbated by the diversion of management's attention away from other ongoing business concerns. The Merged Entity may also be liable for the past acts, omissions or liabilities of companies or businesses or properties it has acquired or disposed of, which may be unforeseen or greater than anticipated.

9.3.22 Joint ventures and other strategic partnerships may not be successful

The Merged Entity participates in several joint venture arrangements and it may enter into further joint ventures. Although the Merged Entity has sought to protect its interests, existing and future joint ventures necessarily involve special risks. Whether or not the Merged Entity holds majority interests or maintains operational control in its joint ventures, its partners may:

- (a) have economic or business interests or goals that are inconsistent with, or opposed to, those of the Merged Entity;
- (b) exercise veto rights to block actions that the Merged Entity believes are in its or the joint venture's best interests;

- (c) take action contrary to the Merged Entity 's policies or objectives with respect to its investments; or
- (d) be unable or unwilling to fulfil their obligations under the joint venture or other agreements, such as contributing capital to expansion or maintenance projects.

Accordingly, the financial performance of the Merged Entity will be exposed to any failure by participants of a joint venture to which the Merged Entity is or may become a party to agree on a plan or any plan to develop a jointly owned asset, a refusal or inability of any joint owner of an asset to contribute its share of funding of the cost of development of a jointly owned asset, and to a risk of legal or other disputes with participants in any joint venture to which the Merged Entity is or may become a party.

Where projects and operations are controlled and managed by joint venture participants other than the Merged Entity, the Merged Entity may provide expertise and advice but it has limited control with respect to compliance with its standards and objectives. Improper management or ineffective policies, procedures or controls could adversely affect the value of related non managed projects and operations and, by association, damage the Merged Entity's reputation thereby harming the Merged Entity's other operations and access to new assets.

9.3.23 Integration risks

There is a risk that integration of the businesses of Paladin and Summit may take longer than expected and that the potential efficiencies and benefits of the Merged Entity may be less than anticipated. Potential risks include inability to achieve synergies, cost savings and tax advantages. Whilst Paladin anticipates that value will be added through the Offer, there is a risk that the full benefits may only be realised in part, or not at all.

9.3.24 Economic conditions

Economic conditions, both domestic and global, may affect the performance of the Merged Entity. Adverse changes in macroeconomic conditions, including global and country-by-country economic growth, the cost and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of the Merged Entity and may result in material adverse impacts on the Merged Entity's business and its operating results.

9.3.25 Key contractors and supplier relationships

The Merged Entity relies on various key customer and supplier relationships, and relies on contractors to conduct aspects of its operations including mining operations (if Paladin's existing mines return to production) and projects and is exposed to risks related to their activities.

Should Paladin's existing mines return to production, or any of its exploration projects move to production:

- (a) a loss or deterioration in any of these relationships or a failure by customers, contractors or other counterparties to perform and manage their obligations to an acceptable standard and in accordance with

key contracts could have a material adverse effect on the Merged Entity's operations, financial condition and prospects. This is beyond the Merged Entity's control;

- (b) an interruption in raw material, electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials or inputs could also adversely impact the quality, efficiency or cost of production; and
- (c) any or all of these events could have an adverse impact on the Merged Entity's operations, its financial condition and financial performance and are beyond the Merged Entity's control.

9.3.26 Subsidiaries

The Merged Entity will have a number of wholly-owned and non wholly-owned subsidiaries. Any limitation on the transfer of cash or other assets between the Merged Entity and its subsidiaries could restrict the Merged Entity's ability to fund its operations efficiently and to meet its obligations to make payments. Any such limitations, or the perception that such limitations may exist now or in the future, could also have an adverse impact on the Merged Entity's valuation and share price.

9.3.27 Environmental and social risk

Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. Paladin could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, the storage, treatment and disposal of wastes and other issues.

The Merged Entity operates in various markets, some of which face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption. Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on the Merged Entity's financial performance. Mining operations are subject to hazards normally encountered in exploration, development and production. These include weather, natural disasters and other force majeure events; unexpected maintenance or technical problems; unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput; increases in labour costs, industrial action and other factors. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Merged Entity's operations and its financial results should any of these hazards be encountered.

9.3.28 Currency risk

The Merged Entity's operations incur expenditures in the local currencies of Australia, Malawi, Canada and Namibia. Revenue from operations and debt financings are in US dollars. As a result of the use of these different currencies, the Merged Entity is subject to foreign currency fluctuations which may materially affect its financial position and operating results.

9.3.29 Competition

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Merged Entity may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Merged Entity will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

9.3.30 Dilution

The Merged Entity may undertake additional offerings of securities in the future. The increase in the number of shares issued and the possibility of sales of such shares may have a depressive effect on the price of shares already on issue.

9.3.31 Dividend policy

The Merged Entity expects to retain all earnings and other cash resources in the short term for the future operation and development of its business. Payment of any future dividends will be at the discretion of Merged Entity's Board of directors after taking into account many factors, including the Merged Entity's operating results, financial condition and current and anticipated cash needs.

9.3.32 Estimates and assumptions are used in preparing consolidated financial statements

Preparation of the consolidated financial statements requires the Merged Entity to use estimates and assumptions. Accounting for estimates requires the Merged Entity to use its judgement to determine the amount to be recorded on its financial statements in connection with these estimates.

The Merged Entity reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including uranium sales prices and costs to complete inventories to their final form. If these estimates and assumptions are inaccurate, the Merged Entity could be required to write down the carrying value of its inventories.

The Merged Entity reviews the carrying value of its tangible and intangible assets periodically to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. Changes in assumptions underlying the carrying value of certain assets, including assumptions relating to uranium prices, production costs, foreign exchange rates, discount rates, tax rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources and market conditions, could result in impairment of such assets. No assurance can be given as to the absence of significant

impairment charges in future periods, including as a result of further restructuring activities or changes in assumptions underlying carrying values as a result of adverse market conditions in the industry in which the Merged Entity operates.

The Merged Entity's estimates and assumptions used in determining the value of its rehabilitation provisions represents the discounted value of the present obligation to rehabilitate its mines and to restore, dismantle and close its mines. The discounted value reflects a combination of the Merged Entity's assessment of the cost of performing the work required, the timing of the cash flows and the discount rate. A change in any, or a combination, of the three key assumptions (estimated cash flows, discount rates or inflation rates), used to determine the provision could have a material impact on the carrying value of the provision. On an ongoing basis, the Merged Entity re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

9.3.33 Ability to manage growth

Future operating results depend to a large extent on management's ability to successfully manage growth. This necessarily requires rapid expansion and consolidation of all aspects of the business operations, such as the development of mining operations, revenue forecasting, an effective mineral resources marketing strategy, addressing new markets, controlling expenses, implementing infrastructure and systems and managing its assets and contractors. The inability to control the costs and organisational impacts of business growth, an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expenses or a failure to manage other issues arising from growth can have a material adverse effect on the Merged Entity's operating results.

9.3.34 Occupational health and safety

It is the Merged Entity's intention to conduct its activities to the highest standards of occupational health and safety. The Merged Entity has systems in place for the management of risks, however uranium exploration and mining is inherently a high risk environment with little margin for error. In addition, several of the projects in which the Merged Entity has an interest are located in developing countries, and embedding systems for managing occupational health and safety risks, and maintaining and ensuring compliance with these systems, may present challenges for the Merged Entity. Further, some of these interests are in countries where HIV/AIDS, ebola, malaria and other diseases may represent a threat to maintaining a skilled workforce in Merged Entity's projects.

There can be no assurance that such infections will not affect project staff, and there is the risk that operations and production could be affected in the event of such a safety threat. If there is a failure to comply with necessary occupational health and safety requirements, this could result in safety claims, fines, penalties and compensation for damages against the Merged Entity, as well as reputational damage.

9.3.35 Ability to repay debt

As at the date of this Bidder's Statement, Paladin's two built mines are on care and maintenance, meaning that Paladin does not have any operating assets and does not generate cash inflows.

During the next twelve months, there are currently no repayment obligations in respect of interest bearing loans and borrowings and Paladin has a number of

options available to it to obtain sufficient funding to repay the notes by their maturity in 2023. These options include, a combination of: generating sufficient surplus operating cash flows, which are reliant on a restart of its mines, their operating performance and the uranium price amongst other factors; the sale of Group assets; raising new equity; or the refinance of the notes.

Due to the inherent uncertainty of these matters, there is a risk that the Merged Entity will be unable to repay its outstanding debts when they fall due.

9.3.36 Certain directors are involved in other mining interests

Certain directors of the Merged Entity are, and will continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnership or joint ventures which are potential competitors of the Merged Entity. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Merged Entity. Directors and officers of the Merged Entity with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

9.3.37 Share market conditions

Paladin is listed on the ASX, the NSX and the German Exchanges. The price of the Merged Entity's ordinary shares will therefore be subject to the numerous influences that may affect both the trends in the share market and the share prices of individual companies, including movements in international and local stock markets, changes in the outlook for commodities (and, more specifically, uranium prices), inflation, interest rates, general economic conditions, changes in government, fiscal, monetary and regulatory policies. In the future, these factors may cause the Merged Entity's ordinary shares to trade below current prices and may affect the income and expenses of the Merged Entity.

9.3.38 General legal matters

Future earnings, asset values and the relative attractiveness of the Merged Entity's Notes and Ordinary Shares may be affected by changes in law and government policy in the jurisdictions in which the Merged Entity operates, in particular changes to taxation laws (including stamp duty and goods and services tax).

9.3.39 General taxation matters

Any change to the current rate of income tax or mineral royalties in jurisdictions where the Merged Entity operates will impact on the profitability and performance of the Merged Entity.

The Merged Entity is subject to complex tax laws. Changes in tax laws could adversely affect the Merged Entity's tax position, including our effective tax rate or tax payments. The Merged Entity often relies on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with the Merged Entity's interpretation of these laws. If the Merged Entity's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Merged Entity to pay taxes that the Merged Entity currently does not collect or pay or increase the costs of the Merged Entity's services to track and collect such taxes, which could increase the Merged Entity's costs of operations or the Merged Entity's effective tax rate and have a negative effect on the Merged

Entity's business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on the Merged Entity's business, financial condition and results of operations.

9.3.40 Litigation

The Merged Entity is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, which claims may be with or without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Merged Entity is or may become subject could have a material effect on its financial position, results of operations or the Merged Entity's mining and project development operations.

9.3.41 Volatility of uranium prices

The mining industry is competitive and there is no assurance that, even if significant quantities of a mineral resource are discovered or extracted, a profitable market will exist for the sale of this mineral. In particular, there can be no assurance that uranium prices will be such that the Merged Entity's properties can be returned to production and mined at a profit. The only significant commercial use for uranium is to fuel civil nuclear power plants for the generation of electricity. Any adverse change in policies or laws concerning nuclear power in countries which operate nuclear power plants may negatively affect global uranium demand and the Merged Entity.

Factors beyond the control of the Merged Entity may affect the marketability of any minerals discovered. The price of, and demand for, uranium is a significant factor in determining the Merged Entity's financial performance, however such price and demand remains sensitive to a number of external economic and political factors beyond the Merged Entity's control, including (among others): global uranium supply and demand trends, political developments in uranium producing and nuclear power generating countries/regions, unanticipated destabilising events (such as Fukushima and persistent delays in Japanese reactor operations, etc.), currency exchange rates, general economic conditions and other factors. As a result, the Merged Entity cannot provide an assurance as to:

- (a) whether uranium prices will recover sufficiently to justify a return of Paladin's existing mines to production; or
- (b) should Paladin's existing mines return to production, the prices it will achieve for any of its uranium product in the future.

9.3.42 Uninsurable risks

The Merged Entity seeks to maintain a range of insurance covers for business operations. However, The Merged Entity's insurance will not cover every potential risk associated with its operations. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on the Merged Entity's financial condition and financial performance.

Without limitation, the Merged Entity may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits.

9.3.43 Political stability

Paladin's current mining activities are principally conducted in southern Africa. In southern Africa, Paladin's projects may be subject to the effect of political changes, war and civil conflict, terrorist attacks, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact on the profitability and viability of its properties.

10. ADDITIONAL INFORMATION**10.1 Paladin's interest in Summit Shares**

Paladin currently holds 82.08% of the issued capital of Summit, which equates to 178,911,682 Summit Shares.

10.2 Acquisitions of Summit Shares by Paladin and its Associates**10.2.1 Previous four months**

Neither Paladin nor any Associate of Paladin has provided, or agreed to provide, consideration for Summit Shares under any purchase or agreement during the period beginning four months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

10.2.2 Period before Offer

Neither Paladin nor any Associate of Paladin has provided, or agreed to provide, consideration for Summit Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

10.3 No escalation agreements

Neither Paladin nor any Associate of Paladin has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

10.4 Collateral benefits**10.4.1 Previous four months**

During the period beginning four months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Paladin nor any Associate of Paladin gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Summit Shares,

and which is not offered to all holders of Summit Shares under the Offer.

10.4.2 Period before Offer

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither Paladin nor any Associate of Paladin gave, or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Summit Shares,

and which is not offered to all holders of Summit Shares under the Offer.

10.5 Disclosure of Information

Due to the fact that Paladin is offering Paladin Shares as consideration for the acquisition of Summit Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Paladin Shares under Sections 710 to 713 of the Corporations Act.

As announced on ASX on 4 January 2018, Paladin was granted relief pursuant to section 340(1) of the Corporations Act to defer certain of its financial reporting obligations under Part 2M.3 of the Corporations Act. This relief allowed Paladin additional time to finalise and publish its audited financial statements for the financial year ended 30 June 2017 (lodged on ASX on 31 January 2018). Accordingly, Paladin is not able to rely on the special prospectus content rules for continuously quoted securities under section 713 of the Corporations Act, and this Bidder's Statement must contain all information required by sections 710 – 712 of the Corporations Act.

As a company whose shares are quoted on ASX, Paladin is subject to regular disclosure requirements. In particular, Paladin is required to disclose information concerning its finances, activities and performance. This disclosure is available on Paladin's website as well as on the ASX website (ASX Code: PDN).

Please refer to Section 3.16 for further details in relation to Paladin's corporate governance policies including its continuous disclosure policy.

10.6 Summit Shareholders' Intention to Accept the Offer

On 1 August 2018, Paladin and Summit announced that they had entered into the Bid Implementation Agreement, and that Summit had been provided with letters of intention from the following Summit Shareholders to accept the Offer, in the absence of a Superior Proposal and the Independent Expert not concluding that the Offer is not fair and not reasonable. 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 Bid Implementation Agreement.

Summit Shareholders	SMM Shares	% of SMM
Orano Cycle	22,109,045	10.14%
Revelation Special Situations Fund Ltd	10,189,249	4.67%
TOTAL	32,298,294	14.82%

These Summit Shareholders have consented to the disclosure of the letter of intention in this Bidder's Statement and have not withdrawn that consent before the date of this Bidder's Statement.

10.7 Bid implementation Agreement

On 31 July 2018, Summit and Paladin entered into the Bid Implementation Agreement pursuant to which Paladin agreed to make a conditional off-market Offer for all Summit Shares that it does not already own.

A full copy of the Bid Implementation Agreement was lodged with the ASX on 1 August 2018 and can be obtained from Paladin's website (at <http://www.paladinenergy.com.au>) or Paladin's profile on the ASX's website (at www.asx.com.au).

10.7.1 Conduct of business

The Bid Implementation Agreement sets out the obligations of Summit and Paladin from the date of the Bid Implementation Agreement until the End Date in relation to the conduct of their business.

Amongst other things, Summit and Paladin must conduct their business in the ordinary and proper course in substantially the same manner as previously conducted and regularly consult with the other party on the manner of conduct of its business including on any matter that may have an adverse impact on the integration of the business of Paladin and Summit following implementation of the Offer.

10.7.2 Board changes

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 Offer until after the End Date and a quorum remains for that purpose.

10.7.3 Termination

Either Paladin or Summit may terminate the Bid Implementation Agreement by notice to the other at any time in the following instances:

- (a) if the other party is in material breach of the Bid Implementation Agreement and that breach is capable of being remedied and is not remedied by that other party within five 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 Offer 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 the Bid Implementation Agreement 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 Offer; or
- (e) if the other party or any of their Subsidiaries becomes Insolvent.

Paladin may also terminate the Bid Implementation Agreement by written notice to Summit if a Superior Proposal is made or publicly announced for Summit by a third party, a Recommending Director does not recommend the Offer be accepted by Summit Shareholders or having recommended the Offer, withdraws or adversely modifies his recommendation of the Offer, a person (other than Paladin or its associates) has a Relevant Interest in more than 20% of Summit Shares on issue or a Summit Material Adverse Change or a Summit Prescribed Occurrence occurs.

Summit may also terminate the Bid Implementation Agreement by written notice to Paladin if a Paladin Material Adverse Change occurs or an independent expert's report concludes that the Offer is not fair and not reasonable.

10.8 Sale Nominee Mandate

Paladin has entered into a mandate with Euroz Securities Limited (AFSL: 24330) to act as the Sale Nominee for those Paladin Shares that are accepted under the Offer by Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders. Euroz will be paid a brokerage fee of 0.5% of the gross proceeds of the sale of those Paladin Shares for its services (plus GST).

10.9 Interests and benefits relating to the Offer

10.9.1 Interests

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director of Paladin;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of Paladin,

(together, the **Interested Persons**) holds or has held at any time during the last two (2) years before the date of this Bidder's Statement, any interest in:

- (d) the formation or promotion of Paladin;
- (e) any property acquired or proposed to be acquired by Paladin in connection with its formation or promotion or the offer of Paladin Shares under the Offer; or
- (f) the offer of Paladin Shares under the Offer.

10.9.2 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a Director of Paladin to induce them to become, or to qualify as, a director of Paladin (other than director's fees and remuneration in the ordinary course); or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Paladin or the offer of Paladin Shares under the Offer.

Steinepreis Paganin has acted as the Australian legal advisors to Paladin in relation to the Offer. Paladin estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services.

Computershare Investor Services Pty Ltd has acted as the share registry to Paladin in relation to the Offer. Paladin estimates that it will pay Computershare Investor Services Pty Ltd \$10,000 (excluding GST) for these services.

10.9.3 Expenses of the Offer

The total amount of cash that Paladin may become obliged to pay to satisfy all expenses incurred by Paladin and relating to the Offer will be provided from Paladin's existing cash balances.

Paladin estimates it will incur fees for services provided in connection with the Offer, including for legal, taxation, financial advisors, share register and ASX and other professional fees, and advisory fees payable by Summit and Paladin if the Offer becomes unconditional, in the amount of approximately \$230,000 (excluding GST).

	\$	US\$
ASIC	5,264	3,833
Tax advice	5,000	3,641
Steinepreis Paganin	100,000	72,815
Legal - Solicitor's Tenement Reports for Namibia, Malawi and Canada	19,736	14,371
Bellanhouse (Summit cost)	50,000	36,407
Independent expert's report and technical assessment and valuation (Summit cost)	40,000	29,126
Share Registry, Printing and Mailing	10,000	7,281
TOTAL	230,000	167,474

10.10 Disclosure of interests of Directors and CEO

The directors and CEO of Paladin have the following interests in Paladin securities as at the date of this Bidder's Statement.

Director/CEO	Shares	Options	SARs
Rick Crabb	119,630 ¹	Nil	Nil
Scott Sullivan	Nil	Nil	5,000,000 ²
David Riekie	Nil	Nil	Nil
Daniel Harris	Nil	Nil	Nil
John Hodder	223,589,744 ³	Nil	Nil

Notes:

1. Comprising 4,920 Shares held indirectly by the Crabb Family Pension Fund, 111,961 Paladin Shares held indirectly by HSBC Custody Nominees (Australia) Limited and 2,749 Paladin Shares held indirectly by Westessa Holdings Pty Ltd.
2. Comprising 5,000,000 SARs under Paladin's Rights Plans, with an exercise price of \$0.16 and vesting as follows:
 - a) 1,000,000 will vest on 1 July 2019;
 - b) 1,000,000 will vest on 1 July 2020;
 - c) 1,000,000 will vest on 1 July 2021; and
 - d) 2,000,000 will vest on 1 July 2022 provided the Langer Heinrich Mine has restarted production.

3. Mr John Hodder as a co-founding principal of Tembo Capital Management Ltd controls 223,589,744 Paladin Shares through its holding in Paladin under the entity Ndovu Capital XII BV.

The Paladin Directors do not have any interest (either held directly or held by their Associates) in any Summit securities as at the date of this Bidder's Statement.

10.11 Fees and benefits of Directors and CEO

The constitution of Paladin provides that the Paladin Directors may be paid for their services as Paladin Directors a sum not exceeding such fixed sum per annum as may be determined by Paladin in general meeting, to be divided among the Paladin Directors as determined by the Paladin Board or in equal shares. The remuneration (inclusive of superannuation, fees and equity) of the Paladin Directors for the last two financial years and the current financial year is as follows:

Director	Remuneration for financial year ended 30 June 2017	Remuneration for financial year ended 30 June 2018	Remuneration for financial year ending 30 June 2019 (proposed)
Rick Crabb	\$121,667	\$52,083	\$125,000
Scott Sullivan	Not applicable	Not applicable	\$400,000
David Riekie	Not applicable	\$33,333	\$80,000
Daniel Harris	Not applicable	\$33,333	\$80,000
John Hodder	Not applicable	\$30,238	\$80,000

Paladin Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Paladin and other miscellaneous expenses.

The remuneration of Paladin Directors is reviewed annually by Paladin.

10.12 Material litigation

Paladin is not a party to any material litigation and is not involved in any material disputes.

10.13 Ineligible Foreign Shareholders

Summit Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Paladin Shares as consideration for their Summit Shares pursuant to the Offer.

A Summit Shareholder is an Ineligible Foreign Shareholder for the purposes of the Offer if they are a citizen or resident of a jurisdiction, or their address as shown in the register of members of Summit is, outside of Australia and its external territories, and New Zealand. However, such a person will not be an Ineligible Foreign Shareholder if Paladin determines that it is lawful and not unduly onerous or impracticable to issue Paladin Shares to such a Summit Shareholder on acceptance of the Offer and it is lawful for the Summit Shareholder to participate in the Offer in such circumstances in the relevant jurisdiction. It is your sole responsibility to satisfy yourself that you are permitted by any law of a

country other than Australia applicable to you to accept the Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents. Refer to Section 8 of Annexure A for further information.

The Paladin Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Sale Nominee approved by ASIC, who will sell these shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders.

10.14 Unmarketable Parcel Shareholders

Paladin Shares will not be issued as part of the Offer Consideration to Unmarketable Parcel Shareholders who accept the Offer. Instead, the Paladin Shares which would otherwise have been issued to Unmarketable Parcel Shareholders will be issued to the Sale Nominee who will sell those Paladin Shares and pay the net proceeds of such sale to Unmarketable Parcel Shareholders.

Unmarketable Parcel Shareholders are those Summit Shareholders who, if they accept the Offer, would be issued Paladin Shares that would not constitute a Marketable Parcel within the meaning of the ASX Operating Rules Procedures.

10.15 Status of Conditions

The conditions of the Offer are set out in Section 9 of Annexure A. Paladin will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Paladin is not aware of any events which would result in a breach or inability to satisfy the Conditions.

Paladin will give a notice of the status of the Conditions in accordance with the Corporations Act on 12 October 2018 (subject to extension if the Offer Period is extended).

10.16 Consents

Chapter 6 of the Corporations Act imposes a liability regime on Paladin, the Paladin Directors, persons named in the Bidder's Statement with their consent having made a statement in the Bidder's Statement and persons involved in a contravention in relation to the Bidder's Statement, with regard to misleading and deceptive statements made in the Bidder's Statement. Although Paladin bears primary responsibility for the Bidder's Statement, the other parties involved in the preparation of the Bidder's Statement can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 10.16:

- (a) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 10.16; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Steinepreis Paganin as legal advisors to Paladin in relation to the Offer has consented to being named in this Bidder's Statement and to the inclusion of the Solicitor's Report on the Australian Tenements in this Bidder's Statement and has

not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

Computershare Investor Services Pty Ltd has acted as the share registry to Paladin in relation to the Offer and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

Euroz Securities Limited as Sale Nominee to Paladin has consented to being named in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

ENSafrica Namibia has consented to being named in this Bidder's Statement and to the inclusion of the Solicitor's Report on the Namibian Tenements in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

Savjani & Co has consented to being named in this Bidder's Statement and to the inclusion of the Solicitor's Report on the Malawi Tenements in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

Stewart McKelvey has consented to being named in this Bidder's Statement and to the inclusion of the Solicitor's Report on the Canadian Tenements in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

As permitted by ASIC Class Order 13/521, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX. Under that Class Order, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact Paladin on +61 (08) 9381 4366.

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication, as well as ASX share price trading information sourced from ASX without its consent.

10.17 Other material information

There is no other information that is material to the making of a decision by a holder of Summit Shares whether or not to accept the Offer that is known to Paladin and which has not previously been disclosed to Summit Shareholders other than as is contained elsewhere in this Bidder's Statement.

10.18 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

10.19 Date for determining holders

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

10.20 ASIC modifications and exemptions, ASX waivers

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Paladin, in relation to the operation of Chapter 6 of the Corporations Act. Paladin may rely on this "Class Order" relief. Further, Paladin has not been granted any waivers from ASX in relation to the Offer.

11. AUTHORISATION

This Bidder's Statement is dated 11 September 2018 and was approved pursuant to a unanimous resolution of the directors of Paladin.

Each Director has consented, and as at the date of this Bidder's Statement has not withdrawn his consent, to the lodgement of this Bidder's Statement with the ASIC.



**Signed for and on behalf of
Paladin Energy Ltd
Mr Rick Crabb
Non-Executive Chairman**

12. DEFINITIONS AND INTERPRETATION

12.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

\$ means Australian dollars.

2018 Annual Report has the meaning given in Section 3.14.

Acceptance Form means the form of acceptance and transfer for the Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to a Summit Shareholder by Paladin's share registry in relation to the Offer, as the context requires.

Announcement Date means 1 August 2018, being the date the Offer was announced on ASX.

Associate has the meaning given in chapter 6 of the Corporations Act.

ACCC means the Australian Competition and Consumer Commission.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX, as amended from time to time.

ASX Operating Rules means the operating rules of the ASX in force from time to time.

ASX Operating Rules Procedures means the procedures of the ASX Operating Rules.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHES subregisters.

Bid Implementation Agreement means the bid implementation agreement between Paladin and Summit dated 31 July 2018.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this document including the Annexures.

Board or **Paladin Board** means the board of directors of Paladin.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

CGT means capital gains tax as it applies to "CGT assets" as defined in the Australian *Income Tax Assessment Act 1997* (Cth).

CHES means ASX's Clearing House Electronic Subregister System.

CHES Holding means a number of Summit Shares which are registered on Summit's share register being a register administered by the ASX Settlement and which records uncertified holdings of shares.

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 as set out in Section 9 of Annexure A to this Bidder's Statement.

Controlling Participant means a Participant who is designated as the controlling participant for shares or other security in a

CHESS Holding in accordance with the ASX Settlement Rules.

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

Director or **Paladin Director** means a director of Paladin as at the date of this Bidder's Statement.

Eligible Shareholder means every Summit Shareholder as at the Record Date that is not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder.

End Date means the earliest of:

- (a) date of termination of the Bid Implementation Agreement in accordance with its terms; and
- (b) the end of the Offer Period.

or such later date as Paladin and Summit agree.

GST has the meaning given in the GST Act.

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

HIN means Holder Identification Number and has the same meaning as in the ASX Settlement Operating Rules.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd (ABN 27 124 031 045) (AFSL: 316158).

Ineligible Foreign Shareholder means a Summit Shareholder:

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

Issuer Sponsored Holdings means the holding of Summit Shares on the Summit issuer sponsored subregister.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Marketable Parcel has the meaning given to it in the ASX Operating Rules Procedures which, among other things, includes a parcel of shares, the value of which is not less than A\$500.

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.

Merged Entity means Paladin and its subsidiaries following the acquisition by Paladin of all, or a portion, of Summit Shares on issue.

Offer means the off market takeover offer by Paladin of one Paladin Share for every one Summit Share on the terms and conditions set out in this Bidder's Statement.

Offer Consideration means one Paladin Share for every one Summit Share.

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

Official List means the official list of entities that ASX has admitted and not removed.

Paladin Board means the board of directors of Paladin.

Paladin Director means a member of the Paladin Board.

Paladin Group means Paladin and its Related Bodies Corporate.

Paladin means Paladin Energy Ltd (ACN 061 681 098) or the Merged Entity as the context requires.

Paladin Option means an option to acquire a Paladin Share.

Paladin Share means a fully paid ordinary share in the capital of Paladin.

Paladin Shareholder means a holder of a Paladin Share.

Participant means an entity admitted to participate in CHESS under rules 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

Perth Time means Perth (Western Australia) Standard Time.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity.

Record Date means the date set by Paladin under Section 633(2) of the Corporations Act, being 5:00pm (Perth Time) 7 September 2018.

Regulatory Authority includes:

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

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.

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

Relevant Interest has the meaning given in Section 9 of the Corporations Act.

Rights means all accreditations, benefits and rights attaching to or arising from Summit Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Summit).

Rights Plans has the meaning in Section 3.22.

Sale Nominee means the nominee to be approved by ASIC for the sale of Summit

Shares held by the Ineligible Foreign Shareholders.

SRN means Securityholder Reference Number.

Subsidiary has the meaning given to it in the Corporations Act.

Summit means Summit Resources Limited (ACN 009 474 775).

Summit Board means the board of directors of Summit.

Summit Group means Summit and its Related Bodies Corporate.

Summit Group Entity means any member of the Summit Group.

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 the BIA 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 the BIA;
- (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 the BIA or otherwise disclosed in public filings by Summit with ASIC or provided to ASX on or prior to the date of the BIA.

Summit Prescribed Occurrence means any of the events listed in Annexure B.

Summit Share means a fully paid ordinary share in the capital of Summit.

Summit Shareholders means all persons who hold Summit Shares.

Superior Proposal means a Competing Transaction which is, in the determination of the Summit Board or the Paladin Board (as applicable) acting reasonably and in good faith:

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

Takeovers Panel means the Takeovers Panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth).

Unmarketable Parcel means a parcel of Paladin Shares that does not constitute a Marketable Parcel.

12.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a Section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;

Unmarketable Parcel Shareholder means a Summit Shareholder to whom, if they accept the Offer, Paladin Shares would be issued which would not constitute a Marketable Parcel.

US\$ means US dollars.

VWAP means the volume weighted average price of trading in the relevant shares on the ASX and the Chi-X Market, excluding trades which are not made in the ordinary course of trade, including block trades (including special crossings), large portfolio trades, permitted trades during the pre-trading hours period, crossings made during the closing phase, permitted trades during the post-trading hours period, out of hours trades, overnight crossings, overseas trades, exchange traded option exercises and any other trades agree on the parties (acting reasonably) to exclude on the basis that they are not representative of the general price at which Shares are trading on the ASX or the Chi-X Market.

- (g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (h) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (i) a reference to any instrument or document includes any variation or replacement of it;
- (j) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (k) a reference to you is to a person to whom the Offer is made.

ANNEXURE A – TERMS OF OFFER

The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions:

1. General terms

- (a) Paladin offers to acquire all of your Summit Shares, together with all Rights attached to them, on the following terms and conditions set out in this Annexure A. The Offer relates to Summit Shares that exist or will exist as at the Record Date.
- (b) The Offer Consideration being offered by Paladin for the acquisition of all of your Summit Shares is one Paladin Share for every one Summit Share you own, subject to the terms and conditions set out in this Offer. You may only accept the Offer for all of your Summit Shares.
- (c) If you become entitled to a fraction of a Paladin Share under the Offer, the number of Paladin Shares will be rounded up to the nearest whole Paladin Share.
- (d) If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder at the time the Offer is made to you then you will not receive Paladin Shares, instead, you will be paid a cash amount calculated under Section 8 of this Annexure A.
- (e) The Paladin Shares to be issued pursuant to this Offer will be fully paid and, from their date of issue, rank equally in all respects with existing Paladin Shares currently on issue.
- (f) By accepting this Offer, you undertake to transfer to Paladin not only the Summit Shares to which this Offer relates but also all Rights attached to those Summit Shares.
- (g) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Summit Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. If, for the purposes of accepting, you require additional copies of this Bidder's Statement and the Acceptance Form, please call +61 (08) 9381 4366 to request those additional copies.
- (h) If your Summit Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (i) The rights and obligations of the Paladin Shares to be issued under the Offer are summarised in Section 3.19 of the Bidder's Statement.
- (j) The Offer is dated 12 September 2018.

2. Offer Period

- (a) Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5:00pm (Perth time) on the later of:
 - (i) 19 October 2018; or

- (ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.
- (b) Paladin reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, the Offer is varied to improve the consideration offered, then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

3. Who may accept

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Summit Shares on Summit's register of members at 5:00pm (Perth Time) on the Record Date.
- (b) A person who:
 - (i) is able, during the Offer Period, to give good title to a parcel of Summit Shares; and
 - (ii) has not already accepted this Offer which relates to those Summit Shares,may accept as if an offer from Paladin on terms identical with this Offer had been made to that person in relation to those Summit Shares.
- (c) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of your Summit Shares, then:
 - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Summit Shares;
 - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Summit Shares you hold to which the Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (d) This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC).

4. How to accept this Offer

- (a) You may accept this Offer at any time during the Offer Period.
- (b) Issuer Sponsored Holdings

If you hold your Summit Shares in an Issuer Sponsored Holding (your SRN starts with I), to accept the Offer you must:

 - (i) complete and sign the enclosed Acceptance Form in accordance with the instructions on it; and
 - (ii) return the completed Acceptance Form, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address specified on the Acceptance Form.

(c) CHESSE Holdings

If your Summit Shares are in a CHESSE Holding (your HIN starts with X) and you are not a Participant, to accept the Offer in respect of Summit Shares you must either:

- (i) instruct your Controlling Participant (this is normally the stockbroker through whom you bought your Summit Shares or ordinarily acquires shares on the ASX) to initiate the acceptance on your behalf under rule 14.14 of the ASX Settlement Operating Rules in respect of your Summit Shares, before the end of the Offer Period; or
- (ii) authorise Paladin to instruct your Controlling Participant on your behalf to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules in respect of your Summit Shares, by completing, signing and returning the accompanying Acceptance Form in accordance with the instructions on it (together with all documents required by the instructions on the Acceptance Form), at the address specified in the Acceptance Form or directly to your Controlling Participant in sufficient time for it to be processed before the end of the Offer Period.

If you are a Participant, you may yourself initiate acceptance under rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

If your Summit Shares are in a CHESSE Holding, you must comply with any other applicable ASX Settlement Operating Rules.

(d) To accept this Offer for Summit Shares held in your name, you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.

(e) Acceptance Form and Other Documents

- (i) The Acceptance Form forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.
- (ii) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by Paladin at the address shown on the Acceptance Form before the end of the Offer Period.
- (iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.
- (iv) When accepting the Offer, you must also forward for inspection:
 - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased

Summit Shareholder, the relevant grant of probate or letters of administration.

5. Validity of acceptances

- (a) Subject to this Section 5 of this Annexure A, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in Section 4 of this Annexure A.
- (b) Paladin may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of your Summit Shares even if a requirement for acceptance has not been complied with.
- (c) Paladin may at any time in its sole discretion:
 - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Summit Shares, treat the acceptance as a valid acceptance in respect of all of your Summit Shares.
- (d) In respect of any part of an acceptance treated by it as valid, Paladin will provide you with the relevant consideration in accordance with Section 7(a) of this Annexure A, and the exercise of Paladin's rights under this Section 5 of this Annexure A will be conclusive and only evidenced by its so doing. The provision of the Offer Consideration may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Paladin.

6. The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Summit Shares, except as follows:
 - (i) if, by the time specified in Section 6(b) of this Annexure A, the Conditions have not all been fulfilled or freed, the Offer will automatically terminate and your Summit Shares will be returned to you; or
 - (ii) if the Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Paladin has to meet its obligations to provide the Offer Consideration, and, at the time, the Offer is subject to one or more of the Conditions, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act and a notice will be sent to you at this time explaining your rights in this regard.
- (b) The relevant time for the purposes of Section 6(a) is at the end of the Offer Period.

- (c) By signing and returning the Acceptance Form in accordance with Section 4 of this Annexure A or pursuant to Section 5 of this Annexure A and subject to all Conditions to the Offer being fulfilled or freed, you will be deemed to have:
- (i) accepted the Offer and, subject to the Conditions being fulfilled or waived, agreed to transfer to Paladin all of your Summit Shares and all of the Rights attached to those Summit Shares (regardless of the number of Summit Shares specified in the Acceptance Form);
 - (ii) authorised Paladin (or any of its officers or agents) to alter or complete the Acceptance Form on your behalf by correcting any errors in or omissions from the Acceptance Form as may be necessary:
 - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
 - (B) to enable registration of the transfer to Paladin of your Summit Shares;
 - (iii) irrevocably authorised and directed Summit to pay to Paladin or to account to Paladin for all Rights which arise or accrue after the date of this Offer in respect of your Summit Shares (subject to Paladin accounting to you for any Rights received if this Offer is withdrawn or lapses);
 - (iv) represented and warranted to Paladin that:
 - (A) at the time of acceptance and the time that transfer of your Summit Shares (including all Rights) to Paladin is registered, Paladin will acquire good title to and beneficial ownership of all of your Summit Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other adverse interests of any nature and free from restrictions on transfer or any nature;
 - (B) you have paid Summit all amounts which are due in respect of your Summit Shares;
 - (C) all of your Summit Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Summit Shares (together with all Rights attached to them) to Paladin;
 - (v) unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, agreed to accept the Paladin Shares to which you become entitled by accepting this Offer subject to the constitution and the terms of issue of the Paladin Shares and to have authorised Paladin to place your name on its register of shareholders as the holder of the Paladin Shares issued to you under the Offer;
 - (vi) acknowledged and agreed that if you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, Paladin will arrange for any Paladin Shares otherwise issuable to you to be issued and sold, and the net proceeds (less any transaction costs) to be remitted to you, as described in Section 8 of this Annexure A;
 - (vii) represented and warranted to Paladin that the making by Paladin to you, and your acceptance, of this Offer is lawful under any

foreign law which applies to you, to the making of this Offer, and to your acceptance of this Offer;

(viii) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Paladin and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney to exercise all your powers and rights in relation to your Summit Shares, including, without limitation powers and rights to:

- (A) attend and vote (in person and by proxy or body corporate representative) in respect of your Summit Shares at any and all meetings of shareholders of Summit;
- (B) requisition or join with other holders of Summit Shares in requisitioning and/or convening a meeting of the members of Summit;
- (C) demand a poll for any vote to be taken at any meeting of Summit Shareholders;
- (D) propose or second any resolutions to be considered at any, and all meetings of Summit Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Paladin as a proxy in respect of all or any of your Summit Shares and a transfer form for your Summit Shares), proxies, consents, agreements and resolutions relating to your Summit Shares;
- (F) request Summit to register in the name of Paladin or its nominee your Summit Shares which you hold on any register of Summit; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Paladin as the beneficial owner and intended registered holder of your Summit Shares in respect of which you have accepted this Offer and to have further agreed to do all such acts, matters and things that Paladin may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Summit) if requested by Paladin. This appointment is irrevocable and terminates upon registration of a transfer to Paladin or your Summit Shares;

(ix) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Summit or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Paladin and the directors, secretaries and other officers of Paladin by Section 6(c)(viii) of this Annexure A;

(x) irrevocably authorised Paladin to notify Summit on your behalf that your place of address for the purposes of serving notices upon you

in respect of your Summit Shares is the address specified by Paladin in the notification;

- (xi) agreed to indemnify Paladin in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Summit Shares to Paladin being registered by Summit without production of your HIN or SRN for your Summit Shares;
 - (xii) irrevocably authorised Paladin (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Summit Shares to Paladin's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;
 - (xiii) agreed to do all such acts, matters and things that Paladin may require to give effect to the matters the subject of this Section 1.6 (including the execution of a written form of proxy to the same effect as this Section 1.6 which complies in all respects with the requirements of the constitution of Summit) if requested by Paladin;
 - (xiv) represented and warranted to Paladin that, unless you have notified it in accordance with Section 1(g) of this Annexure A, your Summit Shares do not consist of a separate parcel of shares; and
 - (xv) agreed, subject to the Conditions being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Paladin may consider necessary or desirable to convey your Summit Shares registered in your name and Rights to Paladin.
- (d) The representations, warranties, undertakings and authorities referred to in this Section 6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Summit Shares and after Paladin becomes registered as the holder of them.

7. Provision of Offer Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, Paladin will provide the consideration for your Summit Shares on or before the earlier of:
 - (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional (whichever is later); and
 - (ii) 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder and you have accepted the Offer, you will receive your share of the proceeds from the sale of the Summit Shares in accordance with Section 8 of this Annexure A.
- (d) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your acceptance, Paladin will provide the consideration in accordance with Section 7(a) of this Annexure A;

- (ii) if that document is given after your acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, Paladin will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after this Offer become unconditional;
or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after the Offer Period while this Offer is not subject to a defeating condition, Paladin will provide the consideration due to you on or before the earlier of:
 - (A) one month after that document is given to Paladin; and
 - (B) 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Paladin will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, Paladin will provide the consideration for you within 21 days after the Offer becomes unconditional.
- (e) Subject to Sections 8 and 9 of this Annexure A, the obligation of Paladin to issue any Paladin Shares to which you are entitled under the Offer will be satisfied by:
 - (i) entering your name on the register of members of Paladin; and
 - (ii) dispatching or procuring the dispatch to you by pre-paid post to your address specified in your Acceptance Form, a confirmation of the issue of Paladin Shares in your name. If your Summit Shares are held in a joint name, a confirmation of the issue of new Paladin Shares will be issued in the name of, to the holder whose name appears first in your Acceptance Form.
- (f) If, at the time you accept this Offer, any authority or clearance of the Australian Department of Foreign Affairs and Trade or of the Australian Taxation Office is required for you to receive any consideration under this Offer, or you are resident in, or a resident of, a place to which, or you are a person to whom:
 - (i) the Autonomous Sanctions Regulations 2011 (Cth);
 - (ii) the Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008 (Cth);
 - (iii) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth); or
 - (iv) any law or regulation would make it unlawful for Paladin to provide consideration for your Summit Shares,

applies, then acceptance of the Offer will not create or transfer to you any right (contractual or contingent) to receive the Offer Consideration unless all requisite authorities or clearances have been obtained in favour of Paladin.

8. Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

- (a) If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, you will not be entitled to receive Paladin Shares as the consideration for accepting the Offer, and Paladin will:
- (i) arrange for the issue to the Sale Nominee approved by ASIC of the number of Paladin Shares to which you and all other Ineligible Foreign Shareholders or Unmarketable Parcel Shareholders would have been entitled but for Section 1(d) of this Annexure A and the equivalent provision of each other offer under the Offer;
 - (ii) cause the Paladin Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and
 - (iii) cause the Sale Nominee to pay to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Shareholders or Unmarketable Parcel Shareholders who accept the Offer receive the same proceeds per Summit Share, subject to rounding):

$$\frac{\text{Net Proceeds of Sale} \times \text{YS}}{\text{TS}}$$

TS

Where:

Net Proceeds of Sale is the amount received by the Sale Nominee upon the sale of an Paladin Share under this Section 8 of this Annexure A, less the expenses of the sale (brokerage, duty and other selling costs, taxes and charges);

YS is the number of Paladin Shares which would, but for Sections 8(a) and 1(d) of this Annexure A, have been issued to you; and

TS is the total number of Paladin Shares issued to the Sale Nominee under this Section 8 of this Annexure A in respect of all Ineligible Foreign Shareholders or Unmarketable Parcel Shareholders.

- (b) You will be paid your share of the proceeds of the sale of Paladin Shares by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque payable in Australian dollars and drawn on an Australian bank branch posted to you at your risk by airmail as soon as practicable and in any event within the period required by the Corporations Act to your address as specified in your Acceptance Form.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Paladin Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

9. Conditions of the Offer

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

- (a) **(Minimum acceptance condition):** at the end of the Offer Period, Paladin and its Associates have a Relevant Interest in:
 - (i) more than 90% (by number) of all of the Summit Shares; and

- (ii) at least 75% (by number) of the Summit Shares that Paladin offered to acquire under the Offer.
- (b) **(no Summit Material Adverse Changes)**: there not occurring a Summit Material Adverse Change during the Offer Period.
- (c) **(no Prescribed Occurrences)**: there not occurring a Prescribed Occurrence during the Offer Period.
- (d) **(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.

ANNEXURE B – SUMMIT 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 the Bid Implementation 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 prior to the date of the Bid Implementation 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 the Bid Implementation 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 Offer):
 - (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 the Bid Implementation Agreement or which is otherwise contemplated by the Bid Implementation Agreement;
- (b) required to be done as a result of the Offer;
- (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.

ANNEXURE C – PALADIN'S ASX ANNOUNCEMENTS

Paladin has lodged the following announcements with ASX since 28 August 2018 (the date on which Summit lodged its most recent annual report with ASX):

Date	Announcement
07/09/2018	Takeover Bid - Notice of People to whom info is to be sent
03/09/2018	ASIC Relief, Cleansing Notice, Appendix 3B
31/08/2018	Finalisation of New Michelin Joint Venture Agreement
28/08/2018	Appendix 4G
28/08/2018	Corporate Governance Statement 2018
28/08/2018	Investor Presentation
28/08/2018	Annual Report 2018

ANNEXURE D – SUMMIT'S ASX ANNOUNCEMENTS

Summit has lodged the following announcements with ASX since 28 September 2017 (the date on which Summit lodged its most recent annual report with ASX):

Date	Announcement
07/09/2018	PDN: Takeover Bid - Notice of People to whom info is sent
01/08/2018	PDN: Recommended Takeover Offer of Summit Resources
01/08/2018	Recommended off-market takeover offer by Paladin Energy Ltd
25/07/2018	Quarterly Activities Report and Appendix 5B
27/04/2018	Appointment of Company Secretary
27/04/2018	Quarterly Activities Report and Appendix 5B
08/03/2018	Half Yearly Report Account
31/01/2018	Quarterly Report and Appendix 5B for the Period Ending 31 Dec 17
16/01/2018	Final Directors Interest Notice
16/01/2018	Initial Directors Interest Notice
12/01/2018	Change in Director & Chairman
08/11/2017	Results of AGM
27/10/2017	Quarterly Activities Report and Appendix 5B
06/10/2017	Notice of AGM 2017
28/09/2017	Appendix 4G
28/09/2017	Corporate Governance Statement 2017

ANNEXURE E – SOLICITOR’S REPORT ON THE NAMIBIAN TENEMENTS

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opinion

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info@ENSAfrica.com

W18066 our ref

Paladin Energy Limited

Level 4, 502 Hay Street

Subiaco

Western Australia 6008

Australia

Per email: Andrew.Mirco@paladinenergy.com.au

6th September 2018

IN RE: LANGER HEINRICH URANIUM (PROPRIETARY) LIMITED

TO:

- (1) **PALADIN ENERGY LIMITED**, a public company incorporated under the laws of Australia, having its principal place of business at level 4, 502 Hay Street, Subiaco, Western Australia 6008, Australia (hereinafter referred to as the "**Addressee**").

Dear Sirs,

MINERAL LICENCES REPORT

1. GENERAL

- 1.1. We, **ENSAfrica | Namibia** (incorporated as Lorentz Angula Inc., registration number 2005/630), Attorneys, Notaries & Conveyancers of 3rd Floor, LA Chambers, Unit 4, Ausspenn Plaza, Dr Agostinho Neto Road, Windhoek, Namibia ("**ENSAfrica | Namibia**" or "**we**") have been requested to provide this report (the "**Report**") to the Addressee. This Report has been prepared for inclusion in a Bidder's Statement to be dated on or about 11th September 2018 (the "**Bidder's Statement**"), prepared by the Addressee for its off-market takeover offer to acquire all of the fully paid ordinary shares in Summit Resources Limited that the Addressee does not already own (the "**Potential Transaction**"). This Report is limited to and deals specifically with the mining licences held by the

Africa's largest law firm

ENSAfrica.com

ENSAfrica | Namibia (incorporated as Lorentz Angula Inc., registration number 2005/630) is a legal practice in terms of the Legal Practitioners Act, 1995 practicing in association with lawyers in several African jurisdictions under a shared brand directors: H.F.E. Ruppel R. Philander A.H. Potgieter W.J. Rossouw R.M. Rukoro C.H.J. Visser W. Wohlers

Addressee's subsidiary, Langer Heinrich Uranium (Proprietary) Limited (the "**Company**"), being –

1.1.1 Mining Licence ML 140; and

1.1.2 Mining licence ML 172,

(hereinafter jointly referred to as the "**Licences**").

1.2. This Report is constituted by this document and the schedules attached hereto, marked -

1.2.1. **Schedule 1** – Report Documents; and

1.2.2. **Schedule 2** – Excerpt from the Register of Mineral Licences.

1.3. ENSafrica | Namibia is a private company conducting a legal practice in Namibia in terms of the provisions of the *Companies Act, 2004* and the *Legal Practitioners Act, 1995*.

1.4. The writer of this Report is a legal practitioner and a notary public admitted to legal practice in Namibia in terms of the *Legal Practitioners Act, 1995*, is in good standing with the Law Society of Namibia and is practicing as a director at ENSafrica | Namibia.

1.5. We provide this Report as independent legal counsel, duly mandated by the Addressee.

2. METHODOLOGY AND BACKGROUND

2.1. **Schedule 1** contains a list of documents that were made available to us and which we have reviewed for the purposes of this Report (the "**Report Documents**").

2.2. For the purposes of this Report, we have reviewed the Report Documents, conducted further searches of public registers and have also considered such laws as we regarded necessary for the purposes hereof.

2.3. On 8th August 2018 and again on 30th August 2018 we conducted searches of the Register of Mineral Licences with the Ministry of Mines and Energy, and conducted searches on all the Licences.

2.4. We also made various enquiries with the Company as to the status of the Licences as we deemed necessary.

Further Background

Mineral Licensing Regime

- 2.5. In terms of Article 100 of the *Constitution of the Republic of Namibia, 1990* (the "**Constitution**") all natural resources below and above the surface of the land, in the continental shelf, within the territorial waters and the exclusive economic zone of Namibia shall belong to the State, if they are not otherwise owned.
- 2.6. In 1992 the Namibian parliament enacted the *Minerals (Prospecting and Mining) Act, 1992*, which established the current mineral rights licensing regime in Namibia, and which regime is administered by the Minister of Mines and Energy (the "**Minister**"). The essential features of the system are as follows:
- 2.6.1. In terms of section 2 of the *Minerals (Prospecting and Mining) Act, 1992*, all rights in relation to the reconnaissance, prospecting for or mining and sale or disposal, and the exercise of control over any mineral or group of minerals vests in the State, notwithstanding any right of ownership of any person in relation to any land in, on or under which such minerals are found.
- 2.6.2. In terms of section 3 (1) (a) of the *Minerals (Prospecting and Mining) Act, 1992*, no person may carry out any reconnaissance operations, prospecting operations or mining operations in, on or under any land in Namibia, except under and in accordance with a mining claim or a mineral licence.
- 2.6.3. In terms of section 3 (1) (b) of the *Minerals (Prospecting and Mining) Act, 1992*, no person may transfer a mining claim or a mineral licence, or grant, cede or assign any interest to any other person, or be joined as a joint holder of such mining claim or mineral licence otherwise than in writing and with the approval in writing of the Minister.
- 2.6.4. In terms of section 1 of the *Minerals (Prospecting and Mining) Act, 1992*, a mineral is any substance, whether in solid or gaseous form, occurring naturally in, on or under any land and having been formed by, or subjected to, a geological process, but excludes water, petroleum, and also clay, gravel or stone when used for certain described purposes. The *Minerals (Prospecting and Mining) Act, 1992*, also contains a schedule that lists the various minerals in various categories, such being the base and rare metals group, the dimension stone group, the industrial minerals group, the non-nuclear fuel



minerals group, the nuclear fuel minerals group, the precious metals group, the precious stones group and the semi-precious stones group.

- 2.7. The holder of a mineral licence granted and issued in terms of the *Minerals (Prospecting and Mining) Act, 1992*, essentially holds a bundle of rights against and obligations towards the State. Such rights are not rights in land *per se*.

Types of Licences

- 2.8. In terms of the *Minerals (Prospecting and Mining) Act, 1992*, there are two main categories of licences relating to minerals:

Category 1

- 2.8.1 Non-exclusive prospecting licences and mining claims, which are reserved for Namibian citizens or corporate entities in which only Namibian citizens may hold an interest.

Category 2

- 2.8.2 The so-called "*mineral licences*", under which category the following licences fall:

- 2.8.2.1 exclusive prospecting licences ("**EPLs**");
- 2.8.2.2 reconnaissance licences ("**RLs**");
- 2.8.2.3 exclusive reconnaissance licences ("**ERLs**");
- 2.8.2.4 mining licences ("**MLs**"); and
- 2.8.2.5 mineral deposit retention licences ("**MDRLs**").

Eligible Licence Holders

- 2.9 In terms of section 46 of the *Minerals (Prospecting and Mining) Act, 1992*, mineral licences and interests in mineral licences may only be granted to:

- 2.9.1 a Namibian citizen who has reached the age of 18 (eighteen) years; or

- 2.9.2 a company incorporated under the laws of Namibia, including an external company.
- 2.10 The *Minerals (Prospecting and Mining) Act, 1992*, contains no legal restriction on the percentage of foreign shareholding in a company holding a mineral licence, however, since about the year 2015, the Minister has generally only been prepared to issue mineral licences subject to the condition that Namibian citizens should hold at least 5% (five percent) of the shares in an eligible licence holder, which is a company as contemplated in paragraph 2.15.2 above.

Mining Licences – General

- 2.11 Mining licences are granted and issued under Part XII of the *Minerals (Prospecting and Mining) Act, 1992*.

Rights of a Mining Licence Holder

- 2.12 In terms of section 90 (1) of the *Minerals (Prospecting and Mining) Act, 1992*, the rights of the holder of a mining licence comprise inter alia the entitlements to:
- 2.12.1 carry on, within the mining licence area, mining operations in respect of the mineral to which the mining licence relates;
 - 2.12.2 carry on, within the mining licence area, prospecting operations in relation to any mineral or group of minerals;
 - 2.12.3 remove minerals (other than controlled minerals (such as nuclear fuels)) for any purpose other than the sale or disposal, to any other place within Namibia;
 - 2.12.4 with the permission in writing of the Mining Commissioner, remove within or from Namibia any minerals for various purposes, such as for sale or disposal;
 - 2.12.5 with the permission in writing of the Mining Commissioner, sell or dispose of any such minerals; and
 - 2.12.6 erect, with the prior permission in writing by the Mining Commissioner, accessory works reasonably necessary for or in connection with the mining operations, removal, selling or disposal of minerals.

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Duration and Renewal of Mining Licences

- 2.13 In terms of section 94 of the *Minerals (Prospecting and Mining) Act, 1992*, mining licences may be granted and issued for a period of 25 (twenty five) years or such shorter period, which in the opinion of the Minister represents the estimated life of the mine, or for such further periods not exceeding 15 (fifteen) years, which in the opinion of the Minister represents the remaining period of the estimated life of the mine at the time of the renewal.
- 2.14 An application for renewal of mining licences is done in terms of section 96 of the *Minerals (Prospecting and Mining) Act, 1992*, which prescribes that an application for the renewal of a mining licence shall be made not later than 12 (twelve) months before the date on which such licence is to expire if it is not renewed or no later than such expiry date, as the Minister may on good cause shown allow. An application for renewal may not be granted by the Minister –
- 2.14.1 unless the holder of such licence proves to the satisfaction of the Minister that the mineral or group of minerals to which such licence relates still exists in the mining area in such quantity that it can still be won or mined and sold or otherwise disposed of on a profitable basis; and
- 2.14.2 unless the Minister is on reasonable grounds satisfied with the proposed mining operations and expenditure to be carried out or expended during the renewal period.

Mining Licence Conditions

- 2.15 Various conditions attach to a mining licence, the principal sources of which are as follows:
- 2.15.1 The general provisions of the *Minerals (Prospecting and Mining) Act, 1992*, applicable to all mining licences.
- 2.15.2 The general statutory licence conditions contained in section 50 of the *Minerals (Prospecting and Mining) Act, 1992*.
- 2.15.3 The general statutory licence conditions contained in section 40 of the *Minerals (Prospecting and Mining) Act, 1992*, as made applicable to mining licences pursuant to section 98 of the *Minerals (Prospecting and Mining) Act, 1992*. The obligations of the mining licence holder are, inter alia, to:

- 2.15.3.1 exercise its rights under the licence reasonably and in such a manner that the interests of the owner of the land are not adversely affected;
 - 2.15.3.2 carry on its operations in accordance with good mining and good prospecting practices;
 - 2.15.3.3 maintain beacons and point them out at the request of certain persons;
 - 2.15.3.4 secure the safety, welfare and health of persons employed in the licence area;
 - 2.15.3.5 maintain all accessory work in the licence area in good condition and repair;
 - 2.15.3.6 remove from the licence area all structures and equipment not used for the operations; and
 - 2.15.3.7 take, in accordance with any applicable law, reasonable steps to warn persons of possible hazards.
- 2.15.4 The individual licence conditions contained in the licence documents (more specifically the "*Notice of Preparedness to Grant*"), known as the "*Supplementary Terms and Conditions*".

Cancellation of Mineral Licences

- 2.16 In terms of section 55 of the *Minerals (Prospecting and Mining) Act, 1992* the Minister may by notice in writing addressed to a licence holder cancel a mineral licence in the case of:
- 2.16.1 the non-compliance by the licence holder with the terms and conditions of the mineral licence or the provisions of the *Minerals (Prospecting and Mining) Act, 1992*; or
 - 2.16.2 the winding-up of the licence holder if the licence holder is a company.



- 2.17 The Minister may, however, in the case of non-compliance, not cancel the mineral licence until such time as the Minister has addressed a written notice to the licence holder, specifying the particulars of the alleged non-compliance, and calling on the licence holder to make representations, and has taken into account any steps taken by the holder to remedy the non-compliance.

Cessation of mining operations

- 2.18 Section 99 of the *Minerals (Prospecting and Mining) Act, 1992*, requires the holder of a mining licence to give notice to the Minister of his or her intention to cease permanently or temporarily or to reduce the rate of the holder's mining operations -

2.18.1 in the case of an intended permanent cessation of mining operations, six months prior to such cessation;

2.18.2 in the case of an intended temporary cessation of such mining operations, 30 days prior to such cessation; or

2.18.3 in the case of an intended reduction of such mining operations, seven days prior to such reduction,

or such other period as the Minister may on good cause shown allow before such intended permanent or temporary cessation or intended reduction.

- 2.19 On receipt of a notice contemplated in paragraph 2.18, or if the Minister has otherwise reason to believe that the holder of any mining licence has ceased or reduced mining operations, the Minister may –

2.19.1 cause the matter to be investigated; or

2.19.2 with due regard to any representation made by the licence holder, take such steps *mutatis mutandis* in accordance with sections 55 or 100 of the *Minerals (Prospecting and Mining) Act, 1992*, as the Minister may deem necessary or expedient in the interests of the mineral resources of Namibia.

- 2.20 As discussed in paragraph 2.16 above, section 55 of the *Minerals (Prospecting and Mining) Act, 1992*, authorises the Minister, by notice in writing, to cancel the mineral licence of a licence holder, if –

2.20.1 such holder fails to comply with the terms and conditions of such mineral licence or of the provisions of the *Minerals (Prospecting and Mining) Act, 1992*;

- 2.20.2 in the case of a company, such company is wound up on terms of the provisions of the Namibian company laws, unless such company has been wound up for purposes of an amalgamation or reconstruction, and has obtained the prior approval of the Minister for such amalgamation or reconstruction;
- 2.20.3 in the case of a natural person, such person's estate is sequestrated.
- 2.21 In terms of Section 100 of the *Minerals (Prospecting and Mining) Act, 1992*, the Minister may direct the holder of a mining licence –
- 2.21.1 to take such steps as may be necessary and practicable to mine any mineral or group of minerals in the mining area to which such licence relates;
- 2.21.2 to increase or reduce the rate at which such mineral or group of minerals is won or mined in such areas, not exceeding, in the case of an increase, the capacity of the mining facilities of the licence holder; or
- 2.21.3 to abandon, if he or she so desires, such mining area in accordance with the provisions of section 54 of the *Minerals (Prospecting and Mining) Act, 1992*.

Register

- 2.22 In terms of section 51 of the *Minerals (Prospecting and Mining) Act, 1992*, the Mining Commissioner is required to keep a Register of Mineral Licences. The Register of Mineral Licences only exists as a computer database at the Ministry of Mines and Energy, which can be inspected and from which printouts can be made. In practice, searches conducted on the Register of Mineral Licences are affected by the officials in charge of printing extracts thereof in relation to specific holders of mineral licences. Past experience has shown that the Register of Mineral Licences is not always in all respects accurate. In terms of section 123 of the *Minerals (Prospecting and Mining) Act, 1992*, an extract from the Register of Mineral Licences, certified by the Mining Commissioner to be true and correct, shall, unless the contrary is proved, be conclusive evidence of the facts mentioned therein. It follows that the *Minerals (Prospecting and Mining) Act, 1992*, does not warrant the correctness of the Register of Mineral Licences, as contrary proof is allowed and admissible. The Mining Commissioner does not invoke the provisions of section 123 and does not, in terms of the current practice, regularly certify an extract from the Register of Mineral Licences. However, the Mining Commissioner regards the Register of Mineral Licences as self-validating.

- 2.23 In providing this Report regarding the Licences held by the Company, our point of departure was an examination of the original mineral licence documents held by the Ministry of Mines. We then proceeded to compare the information in these original licence documents with the information contained in the Register of Mineral Licences. Inasmuch as we found discrepancies between these documents and the information gathered from the Register of Mineral Licences, as set out in the printout in **Schedule 2 – Extract of Register of Mineral Licences**, we have made requisite comments under the section “*Comments*”.

3. ASSUMPTIONS AND QUALIFICATIONS

Assumptions

- 3.1 In providing this Report, we have assumed:
- 3.1.1 the authenticity, completeness and conformity to originals of all Report Documents submitted to, or examined and considered by us in copy;
 - 3.1.2 that all signatures and date or other official stamps on the Report Documents are the signatures of the persons and the date or other official stamps of the organisation they purport to be;
 - 3.1.3 the correctness of all dates reflected on any Report Documents;
 - 3.1.4 that governmental offices, agencies and officials, insofar as they have granted, issued or signed any document, permit, approval or authorisation, have acted within their legal authority and have complied, both in form and in substance, with all relevant legal requirements and procedures imposed on them by law or regulation with regard to the grant, issue or signature of such document, permit, approval or authorisation, unless the contrary manifestly appears from such document, permit approval or authorisation;
 - 3.1.5 where a Report Document which is an agreement or contract does not contain an express choice of governing law clause, that such Report Document is subject to Namibian law; and
 - 3.1.6 that where the Report Documents impose any duty or obligation on a party, that each party to such Report Documents has duly complied with the provisions, terms and conditions of the relevant Report Documents, and, more specifically, that the Company has in respect of the Licences duly

complied with any and all of its obligations in terms of the provisions of the *Minerals Act, 1992*, and that the Company is not in breach of any of its statutory or other obligations, and the terms and conditions applying to the Licences.

Limitations, Qualifications and Independence

3.2 This Report is provided subject to the following assertions of independence, limitations and qualifications:

3.2.1 ENSafrica | Namibia is a firm of legal practitioners qualified to give advice in relation to all matters covered by this Report. ENSafrica | Namibia has extensive experience in mining law in Namibia.

3.2.2 ENSafrica | Namibia has no interest in the Addressee (other than fees for professional work done) or in Summit Resources Limited. ENSafrica | Namibia has had no involvement in the preparation of the Bidder's Statement by the Addressee, other than the preparation of this Report. ENSafrica | Namibia is therefore considered independent of the Addressee for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Bidder's Statement.

3.2.3 The people responsible for preparing this Report are Wolf Wohlers, Director of ENSafrica | Namibia, and Stefanie Busch, Candidate Legal Practitioner of ENSafrica | Namibia.

3.2.4 This Report has been prepared by us for the benefit of the Addressee. Accordingly, this Report is prepared solely for the Addressee, and we do not accept a duty of care to any person other than the Addressee in connection with the subject matter of this Report.

3.2.5 This Report may not be quoted or referred to, or used or be relied upon by any persons other than the Addressee, and any persons who –

3.2.5.1 are successors or potential permitted cedents and delegates of the Addressee; or

3.2.5.2 are the professional advisers of any of the persons referred to in paragraph 3.2.5.1,

and then only in connection with the Potential Transaction.

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- 3.2.6 This Report may be disclosed, but strictly on a non-reliance basis, in the following circumstances:
- 3.2.6.1 as required by any applicable law or consent;
 - 3.2.6.2 as required by any regulatory or supervisory body including, but not limited to, any stock exchange;
 - 3.2.6.3 in connection with any judicial or legal proceedings;
 - 3.2.6.4 to persons who in the ordinary course of business would see records of the Addressee including, but not limited to their auditors and insurers;
 - 3.2.6.5 pursuant to an order or legal process of any relevant governmental authority; and
 - 3.2.6.6 to ratings agencies and their professional advisers.
- 3.2.7 This Report is to be construed in accordance with Namibian law and our liability in respect of this Report is to be governed by Namibian law to the exclusion of any other laws.
- 3.2.8 This Report has been prepared as at the date of its signature based on the information provided to us, and we have no responsibility to amend or update this Report beyond its date of issue.
- 3.2.9 By accepting receipt of this Report, the Addressee acknowledges and agrees to all assumptions, limitations and qualifications contained and set out herein.
- 3.2.10 As far as we were not able to determine any breach of the terms and conditions of the Licences with reference to objectively verifiable public documentation or information available to us following reasonable efforts, we have formally framed relevant questions to the directors of the Company and have relied on the response given to such questions.
- 3.2.11 Other than in the Bidder's Statement, this Report may not be quoted or referred to, or used or relied upon by any person other than the Addressee.

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3.2.12 Other than in the Bidder's Statement, this Report may not be reproduced, copied, circulated or quoted without our prior written consent. If any persons other than the Addressee obtains a copy of this Report (or any part of it) they do so on the basis that they acknowledge and accept that (i) they may not rely on it for any purpose whatsoever, (ii) ENSafrica | Namibia has a duty of care only to the Addressee, and (iii) this Report is confidential in nature and that the recipient is obliged not to disclose any of its content or any information derived there from.

4. **REPORT**

As on the date hereof, based on the aforesaid examinations, inspections and methodology, but subject to (1) the general assumptions, limitations and qualifications set out hereinbefore, and (2) any specific qualifications and further comments set out hereinafter, we report, advise or opine, as the case may be, as follows:

The Licences of the Company

4.1 The Company is the holder of the Licences referred to hereinafter, which, in our opinion, have been validly granted and issued, and which are valid and existing as at the date hereof. Further details as to the Licences are as follows:

Mining Licence ML 140

Type of Licence	Mining Licence
Number	ML 140
Holder	Langer Heinrich Uranium (Proprietary) Limited
Minerals	Base and Rare Metal, and Nuclear Fuel Minerals
Status	Active

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Commencement	26 July 2005
Expiry	25 July 2030
Region	Erongo
Registration Division	G
District	Swakopmund

Mining Licence ML 172

Type of Licence	Mining Licence
Number	ML 172
Holder	Langer Heinrich Uranium (Proprietary) Limited
Minerals	Base and Rare Metals, Nuclear Fuel Minerals
Status	Active
Commencement	24 June 2015
Expiry	23 June 2040

2

Region	Erongo
Registration Division	G
District	Swakopmund

4.2 We annex hereto copies of the relevant extracts from the Register of Mineral Licences, obtained as a stamped printout from the Ministry of Mines and Energy on 30th August 2018, marked **Schedule 2**.

4.3 We note that, subject to the further comments under paragraph 4.5, -

4.3.1 in respect of all the Licences listed under 4.1, the Company is duly reflected in the Register of Mineral Licences as sole ("100%") holder of the relevant Licences;

4.3.2 all annual fees relating to the Licences have been paid;

4.3.3 there are no outstanding annual reports which have to be submitted for the Licences;

4.3.4 all royalties relating to the Licences have been paid; and

4.3.5 the Register of Mineral Licences records no encumbrances over any one of the aforesaid Licences.

4.4 The assertions made in paragraph 4.3 above have been confirmed by employees of the Ministry, namely Frieda Flavianu, the Chief Geologist, and Aune Andreas, the Chief Economist, on 16th August 2018 and 30th August, respectively.

Further Comments

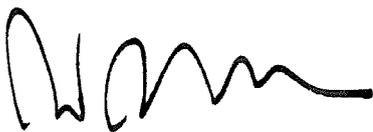
4.5 With reference to our opinion under 4.3, we point out the following:

- 4.5.1 On 25th April 2018 and 3rd May 2018 the Company approached the Minister pursuant to section 99 of the *Minerals (Prospecting and Mining) Act, 1992* to seek his approval for the temporary cessation of the mining operations of the Company, and, although no such consent is required in terms of the law, on 7th May 2018 the Minister granted consent for such temporary cessation.
- 4.5.2 In terms of section 99(2) of the *Minerals (Prospecting and Mining) Act, 1992*, upon receipt of a notice of cessation, the Minister may cause the matter to be investigated or to take such steps in accordance with sections 55 or 100 of the *Minerals (Prospecting and Mining) Act, 1992*. In view of the fact that the Minister has not made use of his powers under section 99(2) of the *Minerals (Prospecting and Mining) Act, 1992*, by either causing the matter to be investigated or by taking steps in terms of sections 55 or 100 of the *Minerals (Prospecting and Mining) Act, 1992*, it is our opinion that there is no immediate threat to the continued validity of the Licences.

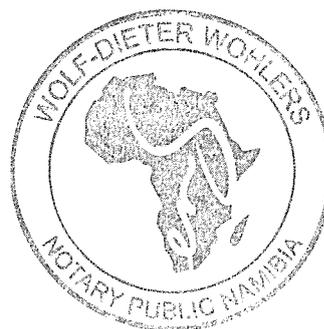
Dated at Windhoek this 6th September 2018.

ENSAfrica | Namibia

(incorporated as Lorentz Angula Inc.)



W. Wohlers



**Schedule 1
Report Documents**

The Licences

1. Mineral Licence 140;
2. Mining Licence 172;

Mining documents

3. Letter with the subject '*Notice to Applicant of Preparedness to Grant Application for Mining Licence 140*', dated 26th July 2005, addressed to the directors of Langer Heinrich Uranium (Proprietary) Limited;
4. Letter with the subject '*Notice to Applicant of Preparedness to Grant an Application for Mining Licence 172*', dated 24th June 2015, addressed to the directors of Langer Heinrich Uranium (Proprietary) Limited;
5. Letter with the subject "*Curtailement of Mining Activities at Langer Heinrich Mine*" from Langer Heinrich Uranium (Proprietary) Limited, addressed to the Permanent Secretary of the Ministry of Mines and Energy, dated 29th August 2016;
6. Letter with the subject "*Curtailement of Mining Activities at Langer Heinrich Mine*" from Langer Heinrich Uranium (Proprietary) Limited, addressed to the Permanent Secretary of the Ministry of Mines and Energy, dated 5th September;
7. Letter with the subject "*Re: Proposed Mining Curtailement at Langer Heinrich Uranium Mine*" from the Minister of Mines and Energy, addressed to the Managing Director of Langer Heinrich Uranium (Proprietary) Limited, dated 7th November 2016;
8. Letter with the subject "*Langer Heinrich Uranium (Pty) Ltd: Temporary Cessation of Mining Operations on Mining Leases ML140 and ML172*" from Langer Heinrich Uranium (Proprietary) Limited, addressed to the Minister of Mines and Energy, dated 25th April 2018;
9. Letter with the subject "*Langer Heinrich Uranium (Pty) Ltd: Consent to Temporary Cease Operations & Namib Times*" from Langer Heinrich Uranium (Proprietary) Limited, addressed to the Minister of Mines and Energy, dated 3rd May 2018;
10. Letter with the subject "*Re: Langer Heinrich Uranium (Pty) Ltd: Consent to Temporary Cease Operations & Namib Times*" from the Minister of Mines and Energy, addressed to the directors of Langer Heinrich Uranium (Proprietary) Limited, dated 7th May 2018;



Mining revenue receipts

11. Letter with the subject "*Royalty Payment Period 1 August 2017 to 31 January 2018*", dated 28 February 2018, from Langer Heinrich Uranium (Proprietary) Limited and addressed to the Permanent Secretary of the Ministry of Mines and Energy;
12. Proof of payment of royalty payment to the Ministry of Mines and Energy by Langer Heinrich Uranium (Proprietary) Limited, dated 30th August 2018;

Annual report and Work Programme

13. Annual report for the year 2013 for ML 140;
14. Annual report for the year 2014 for ML 140;
15. Annual Report for the year 2015 for ML 140;
16. Annual Report for the year 2016 for ML 140 and ML 172;
17. Annual Report for the year 2017 for ML 140 and ML 172;

Environmental documents

18. Letter with the subject '*Subject: Environmental Clearance Certificate for the proposed stage 4 expansion project and conversion of Exclusive Prospecting Licence 3500 to Mining Licence 72 situated in Namib Naukluft Park, Erongo Region*' addressed to the managing director of Langer Heinrich Uranium Mine (Proprietary) Limited, stamped on 12th July 2017; and
19. Document termed "*Environmental Management Plan*", dated January 2012.



Schedule 2
Excerpt from Register of Mineral Licences



License Contacts

License Code	Responsible Office	License Type	Status	Date Applied	Date Granted	Date Expires	Commodity	Map Reference	Area	Parties	Communication Party	Postal Address	Physical Address	Telephone	Email Address
14F		PL	Active	27 April 2015	26 July 2015	21 July 2020	BBM, LF	Hamhisa, Empusa, Swakopmund, N	HA	4325,000 Empusa, N Empusa, N	Empusa Hamhisa, Usharam Empusa, N Empusa, N	Empusa Hamhisa, Usharam Empusa, N Empusa, N		051 413153	
17J		PL	Active	12 August 2011	21 June 2015	23 June 2019	BBM, LF	Hamhisa, Empusa, Swakopmund, N	HA	2952,205 Empusa, N Empusa, N	Empusa Hamhisa, Usharam Empusa, N Empusa, N	Empusa Hamhisa, Usharam Empusa, N Empusa, N		051 413153	



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ANNEXURE F – SOLICITOR’S REPORT ON THE MALAWI TENEMENTS

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File No. 57/8/PAL/DS

10th September 2018

Paladin Energy Ltd
Level 4
502 Hay Street
SUBIACO WA 6008

Attn: Mr Andrew Mirco
Andrew.Mirco@paladinenergy.com.au

Dear Sir

SOLICITOR'S REPORT ON MINING LICENCE NUMBER ML0152/2007 HELD BY PALADIN (AFRICA) LIMITED IN MALAWI

This report has been prepared for inclusion in a Bidder's Statement to be dated on or about 11 September 2018 (**Bidder's Statement**), prepared by Paladin Energy Ltd ('PEL') for its off-market takeover offer to acquire all of the fully paid ordinary shares in Summit Resources Limited that Paladin does not already own.

1.1 Mining Licence

Paladin (Africa) Limited ('PAL'), a company incorporated in Malawi, is a subsidiary of PEL. On 2 April 2007 the Government of the Republic of Malawi ('Government'), acting through the Ministry of Energy, Mines and Natural Resources ('Ministry'), issued Mining Licence Number ML0152/2007 to PAL which granted to PAL the exclusive right to mine and process uranium for a term of fifteen years commencing on 2 April 2007 in an area comprising 55.5 square kilometres at Kayelekera in Karonga District of the Northern Region of Malawi.

1.2 Brief legal framework

Mining activities in Malawi are governed by the Mines and Minerals Act (Cap 61:01) of the laws of Malawi ('Act').

Under section 2 of the Act the entire property in, and control over, minerals in land in Malawi are vested in the President on behalf of the people of Malawi; but without prejudice to the exercise of any right under or pursuant to the Act. The Act prohibits any person from carrying on in Malawi reconnaissance, prospecting or mining operations, except under and in accordance with a Mineral Right, a non-exclusive prospecting licence, a claim or a mineral permit. A Mineral Right is defined as a reconnaissance licence, an exclusive prospecting licence or a mining licence. There are some exceptions to the prohibition under section 2 which, however, are irrelevant for present purposes.



Part II of the Act deals with administrative issues and, amongst other things, empowers the Minister of the Ministry ('Minister') to appoint a person to be the Commissioner for Mines and Minerals ('Commissioner'), and such other persons to be officers as he may consider necessary for the administration of the Act.

Under section 10 of the Act the Minister, on behalf of the Republic of Malawi, may enter into an agreement (not inconsistent with the Act) with any person with respect to all or any of the following matters, namely –

- (a) the grant to that person, or to any person (including any body corporate to be formed) identified in the agreement, of a Mineral Right on the conditions (if any) specified in the agreement;
- (b) conditions or the conditions to be included in the Mineral Right as granted or renewed; or
- (c) any matter incidental or connected with the foregoing.

Section 11 of the Act provides that an application under the Act –

- (a) shall be made to the Minister, or, if so prescribed, to the Commissioner;
- (b) shall be in or to the effect of a form approved by the Minister;
- (c) shall be accompanied by the prescribed fee; and
- (d) may be withdrawn by the applicant giving to the Minister or, in the case of an application made to the Commissioner, to the Commissioner a notice of withdrawal.

Under section 13 of the Act no Mineral Right –

- (a) shall be granted to an individual unless he is a citizen of Malawi or has been ordinarily resident in Malawi during the period of four years immediately preceding the date on which his application for the grant of a Mineral Right is made;
- (b) being a reconnaissance licence or an exclusive prospecting licence, shall be granted to a body corporate unless the body corporate is –
 - (i) a company (which by definition means a company incorporated under the Companies Act of Malawi);
 - (ii) a corporation incorporated in Malawi; or



- (iii) a corporation (not being a corporation of a kind referred to in (ii) above) approved by the Minister; or
- (c) being a mining licence, shall be granted to a body corporate unless the body corporate is –
 - (i) a company; or
 - (ii) a corporation incorporated in Malawi.

Section 15 of the Act provides that where the doing of any act is regulated or prohibited by a written law (other than the Act), nothing in the Act shall be construed as authorising the holder of a Mineral Right to do the act –

- (a) otherwise than in accordance with the written law; and
- (b) without first obtaining the licence, permit, authority, or other instrument (if any), required under the written law for the doing of the act.

1.3 History of the Mining Licence

- (a) The Mining Licence was issued by the Minister to PAL on 2 April 2007. It grants to PAL the exclusive right to mine and process uranium for a term of fifteen years commencing on the said date, with an option to renew for further ten year periods, in an area covering 55.5 square kilometres ('Mining Area') at Kayelekera in Karonga District of the Northern Region of Malawi.
- (b) The Mining Area was previously covered by an exclusive prospecting licence EPL 070/1998 ('EPL') issued to Balmain Resources Pty Ltd on 26 January 1998.
- (c) On 16 October 2000, an application was made for renewal and transfer of the EPL from Balmain Resources Pty Ltd to PAL.
- (d) Section 60 of the Act provides that unless the Minister approves –
 - (i) the transfer of a Mineral Right; or
 - (ii) an instrument by which a legal or equitable interest in, or affecting, a Mineral Right, is created, assigned, effected or dealt with, whether directly or indirectly,

the transfer, or the instrument (in so far as it operates as stated in (ii) above) is of no force.



- (e) On 25 October 2000, apparently in response to the application for renewal and transfer of the EPL, the Minister re-issued the EPL to PAL. The EPL was subsequently renewed for respective periods until the grant of the Mining Licence on 2 April 2007.
- (f) Under section 37 of the Act an application for the grant of a mining licence may be made by the holder of an exclusive prospecting licence or by a person who is not such a holder. Section 39 of the Act provides that on application duly made by the holder of an exclusive prospecting licence the Minister shall grant, on such conditions as he may determine, the mining licence applied for. PAL was therefore granted the Mining Licence as the holder of the EPL over the Mining Area.
- (g) It is also worth noting that before the grant of the Mining Licence, the Government, PAL and PEL entered into a development agreement ('DA') dated 22 February 2007 dealing with the terms on which the Mining Licence shall be issued and other matters relating to the Mining Licence.

1.4 Terms of the Mining Licence

Amongst other things, the Mining Licence provides as follows –

- (a) (i) PAL shall pay to the Government annually until termination of the licence the charge prescribed under Regulation 8(1)(c) of the Mines and Minerals (Mineral Rights) Regulations 1981 which charge shall be calculated on the basis of the licensed area;
- (ii) The said Regulation 8(1)(c) provides that the area charge for a mining licence is K50,000.00 (roughly US\$69.00) per square kilometre of the mining area;
- (iii) Our search in the file of the Mining Licence at the Mines and Minerals Registry shows that the Government has over the years issued several demand notices for payment of the annual charges. There is no indication that PAL has been paying the annual charges.
- (b) (i) PAL shall pay the Government in accordance with the Mines and Minerals (Royalty) Regulations 1981 any royalty payable thereunder or under any agreement.
- (ii) Under the said Regulations royalty payable in respect of radioactive minerals is to be calculated at the rate of five per centum of the gross value of the mineral. Such rate, however, is subject any agreement between the licensee and the Government.
- (iii) Under the DA the parties agreed rates of royalty of the gross value of the yellow cake such gross value to be determined in accordance with the provisions of the DA.

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- (iv) Our search at the Mines and Minerals Registry shows that PAL has during the period of production at the Mining Area been paying royalties to the Government.
- (c) PAL is also required under the terms of the Mining Licence to, amongst other things –
- (i) submit to the Minister for approval a statement of the programme of operations for the lifetime of the mining operations and comply with such programme;
 - (ii) employ and train citizens of Malawi in and for the operations of PAL and the management of such operations;
 - (iii) employ a non-citizen of Malawi in a post only if the skills required in that post are not obtainable by recruitment of a Malawi citizen and PAL may any time be called upon by the Commissioner to give satisfactory reasons for the continued employment of a non-citizen in any post;
 - (iv) use and purchase goods and services supplied and produced or manufactured in Malawi whenever they can be obtained at competitive terms, and are in substantive respects of quality comparable with those available from outside Malawi;
 - (v) make maximum use of local sub-contractors where services of same comparable standards with those obtained elsewhere are available from them at competitive prices and competitive terms;
 - (vi) where it is necessary to import vehicles, machinery, plant or equipment and any such items are not purchased directly from manufacturer, effect the purchase of the items through traders operating in Malawi through them at competitive prices;
 - (vii) to comply with all obligations imposed under or by –
 - any Act of Parliament for the time being in force and in particular the Act or any Act amending or replacing it;
 - provisions of the International Atomic Energy Agency and the International Labour Organization regarding occupational safety and health relating to radiation protection and management of radioactive materials and waste;
 - (viii) to keep all measures necessary for the conservation and protection of the environment;



- (ix) to make a spoil bank or spoil banks on the Mining Area at a place or places approved by the Commissioner;
- (x) to rehabilitate the surface of the Mining Area which has been mined progressively in accordance with approved Environmental Management Plan, which approval was based on PAL's environmental impact assessment;
- (xi) to plant trees so as to replace those which have been felled;
- (xii) to abide by such directives of the Commissioner as he may issue in relation to matters mentioned in (viii) to (xi) inclusive in relation to the safety and maintenance of plant equipment;
- (xiii) to keep the Government indemnified against all actions, claims and demands which may be brought or made against it by reason of anything done by the licensee, its servants, agents, or contractors in the exercise or purported exercise of the rights granted under the licence; and
- (xiv) to render monthly labour and wages returns to the Directors of Mines within 10 days of the end of each month.

1.5 **The DA**

The Government, PAL and PEL agreed to keep the terms of the DA confidential.

It is worth noting, however, that one of the agreements in the DA is that in consideration of the tax regime granted by the Government to PAL, Government was granted a 15% shareholding in PAL.

1.6 **Suspension of production**

- (a) Section 46(1) of the Act provides that the holder of a mining licence shall give notice to the Commissioner –
 - (i) twelve months in advance, if he proposes to cease production from a mine in the mining area concerned;
 - (ii) six months in advance, if he proposes to suspend production from any such mine; or
 - (iii) three months in advance, if he proposes to curtail production from any such mine,

and shall give in the notice the reason for the cessation, suspension or curtailment.



- (b) Section 46(2) of the Act provides that where, for any reason beyond his control, the holder of a mining licence ceases, suspends or curtails production from a mine in the mining area concerned he shall, within fourteen days after the cessation, suspension or curtailment, give notice thereof to the Commissioner.
- (c) The Commissioner is empowered, where notice is given to him pursuant to section 46(1) and (2) stated above, or if he otherwise becomes aware, of any cessation, suspension or curtailment of production from a mine, to cause the matter to be investigated and thereafter –
- (i) he shall give his approval, conditionally or unconditionally, to the cessation, suspension or curtailment by notice to the holder of the mining licence; or
- (ii) he shall direct the holder of the mining licence by notice given to the holder to resume full production, or production at such level as is specified in the notice, by such date as is so specified, and the holder shall do so.

1.7 **Letters from Government in relation to suspension**

- (a) A letter of 14 February 2014 from the Secretary to the Ministry to the General Manager of PAL stated, amongst other things, that –
- (i) Government is disappointed to hear of suspension of operations at the same time as the media. This does not reflect Government's rights of 15% shareholder under the DA and under the Act;
- (ii) in particular, PAL has failed to give notice as required by section 47 (apparently meant for 46) of the Act. PAL therefore is in breach of the DA and Malawi law; and
- (iii) urgent meeting is sought to discuss next steps in relation to the mine. In particular, the meeting is to discuss
- when the decision to suspend production was taken;
 - the current estimated length of time that such suspension is proposed for;
 - the arrangements for the mine whilst such suspension is in operation (in particular focusing on safety aspects); and
 - an explanation on whether PAL is now in breach of the project finance with banks funding the mine and what discussions have taken place with such banks.



- (b) It is worth noting that the letter of 14 February 2014 from the Secretary for the Ministry was written by the Government in its capacity as a regulator of the mining sector as well as a shareholder of PAL.
- (c) On 24 October 2014 the Secretary of the Ministry wrote another letter to PAL which
- (i) referred to a letter of 7 February 2014 from PAL with notice on suspension of production under section 46(2) of the Act;
 - (ii) granted approval for PAL to suspend production on the following conditions
 - PAL to give reasonable redundancy packages to employees to be retrenched in accordance with existing labour laws;
 - during care and maintenance period, PAL will –
 - maintain adequate personnel to provide security of the mine and infrastructure;
 - continue with the company's environmental management plan and keep on monitoring the facilities together with the boreholes for any possible deterioration that could compromise the environment;
 - continue to meet its corporate social responsibility commitments under the DA;
 - maintain the mine and infrastructure in good working order; and
 - continue to submit monthly reports on its activities and paying ground rents to the Department of Mines as required by the Act.
- (d) We note that the letter of 24 October 2014 from the Government to PAL refers to a letter of notice of suspension of production under section 47(2) of the Act given by PAL and dated 7 February 2014. It appears that at the time the Government wrote its letter of 14 February 2014 it had not yet received or considered the said letter of notice of suspension of 7 February 2014. During our searches at the Mines and Minerals Registry we were unable to locate the letter of 7 February 2014 from PAL.
- (e) It is also worth noting that the Government approved the suspension with conditions as stated in (c) above.



1.8 Other matters to note**(a) Renewal**

- (i) As stated above, the Mining Licence is for a term of fifteen years commencing on 2 April 2007 and will therefore expire on 1 April 2022. The Mining Licence provides an option to renew for further ten year periods. Under section 42 of the Act a term of a mining licence is the period (not exceeding twenty five years), or the estimated life of the ore body which it is proposed to mine, whichever is shorter, stated in the licence. Under section 51 of the Act an application for renewal of a mining licence shall be made not later than twelve months before the expiration of the licence, that is, before 1 April 2021 in the case of the Mining Licence, and shall state, amongst other things, the period for which the renewal is sought, latest proved, estimated or inferred ore reserves, capital investments to be made, any expected changes in methods of mining and treatment and any expected increase or reduction in mining activities and the estimated life of the mine.
- (ii) On application duly made the Minister shall renew the licence, with or without variation of the conditions of the licence, for a period not exceeding fifteen years.
- (iii) The Minister shall refuse to renew a mining licence if the applicant is in default, the development of the mining area has not proceeded with reasonable diligence, minerals in reasonable quantities do not remain to be produced or the programme of mining operations proposed to be carried out is not satisfactory.

(b) Reports

Section 66 of the Act requires a holder of a Mineral Right to furnish information, submit reports or keep records. In keeping with this requirement, we note that PAL has been submitting monthly reports to the Ministry with the latest report submitted in June 2018. Further-

- (i) on 7 February 2015 PAL submitted a report on minor storm damage during the night of 5 January 2015 due to heavy rain;
- (ii) on 31 March 2017 PAL submitted notice of intention to retrench personnel to the Ministry of Labour;
- (iii) another accident report was submitted on 10 November 2011 and also on 6 January 2015 on plant run-off water tank rapture.



(c) **Securities**

Publicly available information at the Mines and Minerals Registry does not disclose any securities registered in respect of the Mining Licence and correspondence and authorisations issued in relation to such securities.

We are aware that there are some securities and some such correspondence and authorisations.

1.9 **Other tenements**

It is worth noting that PAL also holds various exclusive prospecting licences in Malawi such as EPL 168, 169 and 170/2005, 225/07, 075/2013, 417 and 418/15 and 489. Information on these licences at the Mines and Minerals Registry is scanty probably because the Registry did not open separate files for each of the licences. Instead, the publicly available documents on these licences are kept in the file for the Mining Licence.

Below is a table on the exclusive prospective licences based on information provided to us on behalf of PEL by Steinepreis Paganin.

Tenement mentioned in Malawi report.	Licence Number	Licence Name	Page 145 Annual Report Reference	Status	Comment
EPL 168	EPL 168	Chilumba		Surrendered	Replaced By EPL 418
169	EPL 169	Chilongo		Surrendered	Replaced, in part, by EPL 489 and 502
170/2005	EPL 170	Mpata		Surrendered	Replaced by EPL 417
225/07	EPL 225	Mapambo	Mapambo	Current	
075/2013	NOT ON RECORD. NOT CURRENT. NOT APPLICABLE.				
417	EPL 417	Rukuru	Rukuru	Current	
418/15	EPL 418	Uliwa	Uliwa	Current	
489	EPL 489	Nthalire	Nthalire	Current	
502	EPL 502	Juma-Miwanga	Juma-Miwanga	Current	

1.10 **Qualifications & Independence**

Savjani & Co. is a firm of solicitors qualified to give advice in relation to all matters considered in this Report. Savjani & Co. has extensive experience in mining law in Malawi.

Savjani & Co. has no interest in Paladin Energy Ltd (other than fees for professional work done) or in Summit Resources Limited. Savjani & Co. has had no involvement in the preparation of the Bidder's Statement by Paladin Energy Ltd, other than the preparation of this Report which is based on and governed by Malawi law. Savjani & Co. is therefore considered independent of Paladin Energy Ltd for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Bidder's Statement on the terms indicated in our consent letter.

The people responsible for preparing this Report are Krishna Savjani OBE SC, Proprietor of Savjani & Co., and Duncan Singano, Senior Associate of Savjani & Co.

1.11 **Source of information**

Apart from references to the law, the Mining Licence and the DA, the information in this report is based on our searches at the Mines and Minerals Registry in Malawi.



KRISHNA SAVJANI OBE SC



DUNCAN SINGANO

SAVJANI & CO

ANNEXURE G – SOLICITOR’S REPORT ON THE CANADIAN TENEMENTS

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September 6, 2018

Paladin Energy Ltd
And its Board of Directors
Level 4, 502 Hay Street,
Subiaco, Western Australia 6008

Dear Sirs/Mesdames:

Re: Solicitor's Report on Title

This report has been prepared for inclusion in a Bidder's Statement to be dated on or about September 11, 2018 ("**Bidder's Statement**"), prepared by Paladin Energy Ltd for its off-market takeover offer to acquire all of the fully paid ordinary shares in Summit Resources Limited that Paladin does not already own.

1. Scope

We are solicitors in the Province of Newfoundland and Labrador, Canada ("**NL**"), and we have been requested to report herein (the "**Report**") on 29 mineral licences recorded in the name of Aurora Energy Ltd. ("**Aurora**") located in NL (collectively, the "**Aurora Property**"). We understand Aurora to be a wholly-owned subsidiary of the Paladin Energy Ltd.

Details of the licences comprising the Aurora Property are set out in Schedule A, which forms a part of this Report. In this report **CAD\$** means the lawful money of Canada expressed in dollars.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Aurora Property as follows:

- (a) We have conducted searches respecting relevant real property interests and mining and mineral titles in NL at the Registry of the Mineral Claims Recorder for NL and at the Registry of Deeds for NL on August 28, 2018. In assessing the current standing of the relevant mining and mineral titles, we have obtained and relied upon mineral rights inquiry reports respecting such titles issued by the NL Department of Natural Resources (Mines Branch) and Certificates of Compliance issued by the Minister of Natural Resources.
- (b) We have conducted searches at the NL Registry of Companies and the NL Personal Property Registry, and we have conducted relevant mechanics lien searches and searches for execution orders at the NL Judgment Enforcement Registry in the name of Aurora effective as of August 29, 2018.
- (c) We have examined such corporate records, certificates, and other documents, and have made such other examinations, searches and investigations as we have considered necessary and have considered such questions of law as we have deemed necessary or relevant to the opinions set out in this Report below.

3. Opinion

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as of the date of the relevant searches and enquiries:

- (a) **(Aurora's Interest):** This Report provides an accurate statement as to Aurora's interests in the Aurora Property;
- (b) **(Good Standing):** This Report provides an accurate statement as to the validity and good standing of the Aurora Property; and
- (c) **(Third Party Interests):** This Report provides an accurate statement as to registered third party interests, including encumbrances, in relation to the Aurora Property.

4. Summary of Aurora Property Matters

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Aurora Property:

- (a) **(Corporate Status):** Aurora has been duly registered as an extra-provincial corporation and is in good standing with respect to the filing of annual returns at the Registry of Companies for NL and is authorized to carry on undertakings in NL.
- (b) **(Aurora's Interest):** Aurora is the registered holder of a 100% interest in the 29 active mineral licences (the "**Subject Licences**") referred to as the Aurora Property.
- (c) **(Status of Subject Licences):** The Subject Licences are currently in good standing, as provided for herein and as evidenced by the Certificates of Compliance issued by the Minister of Natural Resources, and shall remain in good standing during the current term and any extension thereof provided the security deposits, assessment work, work expenditure and work reports, as the case may be, required by the Mineral Act, R.S.N.L. 1990, c. M-12, as amended (the "**Act**") and the Mineral Regulations O.C. 96-299 (the "**Regulations**") are paid, performed or submitted, as the case may be, at the times and in the manner prescribed by the Act and Regulations.
- (d) **(Third Party Interests):** No royalties or other third party interests have been identified or registered against the Subject Licences, other than
 - (i) (A) a 2% net smelter returns for all "Minerals" other than uranium sold or deemed to have been sold by or for Aurora and (B) a 2% of the "Gross Uranium Final Sales" for uranium sold by or for Aurora, both pursuant to a Royalty Agreement dated June 17, 2005 between Altius Resources Inc. ("**Altius**") and Labrador Uranium Co. Ltd. (the "**Royalty Agreement**"), which Royalty Agreement was assumed by 0897974 BC Ltd. (which we understand changed its name to Aurora Energy Ltd.) by Royalty Assumption Agreement dated February 1, 2010 between Altius, Aurora

Energy Resources Inc. (“AERI”) (a predecessor name to Labrador Uranium Co. Ltd.) and 0897974 BC Ltd.

- (ii) An Area of Interest Agreement dated February 28, 2001 between Alitus, Fronteer Development Group Inc. (“Fronteer”) and AERI which grants AERI the right to purchase Acquired Rights (as defined therein) relating to the area surrounding the mineral licences acquired from Alitus and Fronteer, which Area of Interests Agreement was assigned to 0897974 BC Ltd. (which we understand changed its name to Aurora Energy Ltd.) by Area of Interest Assumption Agreement dated February 1, 2010 between Alitus, Fronteer, AERI and 0897974 BC Ltd.
- (iii) A Notice of Security Interest dated December 2, 2017 and registered on December 13, 2017 the Registry of the Mineral Claims Recorder for NL by Electricite de France S.A. (“EdF”), as secured party, and naming Aurora as debtor pursuant to a General Security Agreement among EdF and Aurora Energy dated August 28, 2012, pursuant to which a security interest is taken in all present and after acquired personal property of Aurora related to the Michelin Project but excluding any consumer goods.
- (iv) A registration under the Personal Property Security Act (NL) against Aurora and other debtors by EdF providing notice of a security interest taken by EdF in all of the debtors present and after acquired personal property and proceeds thereof.
- (e) **(Government Mining Taxes):** The Government of NL imposes a mining tax on mine operators carrying out mining activities in NL, which amounts to a 15% tax on the net income of the operator. For the purposes of this tax, net income equals gross revenue less allowable expenses including operating and processing, depreciation, pre-production, exploration, crown royalties, processing and smelting allowances, and other prescribed deductions. The Government of NL also imposes a mineral rights tax on recipients of mineral production royalties, which would be applicable to payments made to any royalty holders.
- (f) **(Caveats and Liens):** There are no registered caveats or liens against the Aurora Property, other than:
 - (i) A Notice of Security Interest dated December 2, 2017 and registered on December 13, 2017 by EdF, as secured party, and naming Aurora as debtor pursuant to a General Security Agreement among EdF. and Aurora Energy dated August 28, 2012, pursuant to which a security interest is taken in all present and after acquired personal property of Aurora related to the Michelin Project but excluding any consumer goods.
 - (ii) A registration under the Personal Property Security Act (NL) against Aurora and other debtors by EdF providing notice of a security interest taken by EdF in all of the debtors present and after acquired personal property and proceeds thereof.

- (g) **(Reservation of Specified Materials):** A number of the Subject Licences preclude the development of “Specified Materials” and/or “Carving Stone” as defined in the Labrador Inuit Land Claims Agreement (NL) (such agreement discussed in more detail below) over all or a portion of the lands subject to the Subject Licences. The Labrador Inuit Land Claims Agreement (NL) defines “Specified Material” as “*stone including stone suitable for dimension stone, labradorite, chert, sand, gravel, clay, topsoil, shale, marl, peat and peat moss when these substances are used for construction or agricultural purposes only*” and defines “Carving Stone” as “*soapstone and serpentinite that is suitable for carving purposes*”.
- (h) **(Native Title):** The Crown has a general legal duty to consult with and accommodate aboriginal communities, where the Crown intends to grant rights to any person which may affect the aboriginal communities. With respect to the Aurora Property, we report:
- (i) The areas covered by the Subject Licences are situated within lands known and described as the Labrador Inuit Settlement Area (“**LISA**”) and Labrador Inuit Lands (“**LIL**”), as defined and established by the Labrador Inuit Land Claims Agreement (NL) (“**LILCA**”), which agreement has been ratified by the *Labrador Inuit Land Claims Agreement Act*, SNL 2004 c. L-3.1 (NL) and the *Labrador Inuit Land Claims Agreement Act*, SC 2005 c. 27 (Canada).

Under the LILCA, the Government of NL retains title and jurisdiction to all “Subsurface Resources” within LIL and LISA lands, including title and jurisdiction to all mineral deposits, subject to the 25% interest reserved to the Labrador Inuit as discussed below. It is significant to note that, within LIL lands under the LILCA, the Labrador Inuit retain an ownership of an undivided 25% interest, with the Government of NL, of all Subsurface Resources. However, this “ownership” interest is in our view properly viewed to be an entitlement to receive from the Government of NL an amount equal to 25% of the Government of NL’s revenues from the Subsurface Resources in LIL lands.

The LILCA establishes certain requirements for any mineral exploration and development in the LIL lands and the LISA lands. For present purposes, we would suggest that the following requirements prescribed by the LILCA are particularly relevant:

- (A) Under LILCA, the NL Government continues to be the permitting authority for mineral exploration and mineral development within LIL and LISA lands.
- (B) Mineral exploration within LISA lands has continued and will continue to be administered under present NL Government regulations until a Land Use Plan, as contemplated in the LILCA, has been formalized. Prior to the finalization of the Land Use Plan, the NL Government has been consulting with the Nunatsiavut Government regarding the issuance of any

exploration approvals within the LISA. As of the date of this report, the Land Use Plan has not been formalized.

- (C) Mineral exploration within LIL lands initiated after December 1, 2005 is subject to the joint approval of the Government of NL and the Nunatsiavut Government. After consultation with the Nunatsiavut Government, the Government of NL passed regulations in 2007 setting out the requirements for any mineral exploration within LIL lands.
 - (D) A Work Plan must be submitted for any mineral exploration or quarrying in LIL lands initiated after December 1, 2005, which must be approved by both the Government of NL and the Nunatsiavut Government. A Work Plan is required to cover all aspects of exploration.
 - (E) The Nunatsiavut Government can establish conditions of access respecting exploration on LIL lands, including designation of routes, authorization of users and restoration measures. Furthermore, the approval of the Nunatsiavut Government is required to cross LIL lands, even where the exploration will take place on a property that is not within LIL lands.
 - (F) There can be no mine development within LIL lands without a negotiated impact and benefit agreement (“**IBA**”) between the developer and the Nunatsiavut Government. The LILCA sets out an extensive list of considerations that may be included in an IBA, including employment opportunities, financial compensation, environmental rehabilitation, participation in corporate ownership and income sharing.
 - (G) All “Major Developments” in LISA lands require a concluded IBA. A “Major Development” is defined in the LILCA as a development that involves either more than 150 person years of employment or capital expenditures of more than \$40 million dollars in constant 1998 dollars during any five year period.
 - (H) The LILCA requires all developers to compensate the Labrador Inuit for any loss of wildlife, fish or habitat or harvesting activities caused by a development in LIL lands, or caused by any Major Development in LISA lands.
 - (I) The Nunatsiavut Government may make laws respecting environmental assessment within LIL lands, but may only require an environmental assessment of quarry or mineral exploration activities if that exploration would ordinarily trigger federal or provincial environmental assessment requirements.
- (ii) The areas covered by the Subject Licences all appear to be within lands designated as an “**Economic Development Area**” further to an

agreement dated September 26, 2008 entered into between the Government of Newfoundland and Labrador, the Energy Corporation of Newfoundland and Labrador, and the Innu Nation (representing the Labrador Innu), which comprises the framework for, amongst other things, the conclusion of a comprehensive land claims Agreement in Principle respecting the Innu Nation Labrador land claims (the "**New Dawn Agreement**").

The parties have yet to finalize the comprehensive binding land claims agreement contemplated by the New Dawn Agreement, and as such, the New Dawn Agreement does not grant to the Labrador Innu any present substantive rights to lands in Labrador.

Section 1(a)(vii) of the New Dawn Agreement provides that, upon conclusion of the contemplated comprehensive land claims with the Innu Nation, the Innu Nation shall be entitled to be a party to and receive the benefits of an impact and benefits agreement for any major development within an Economic Development Area. Impact and benefit agreements are a means to accommodate aboriginal concerns that are identified through consultation between an entity undertaking a major development and the affected aboriginal group. These agreements are negotiated between the parties in order to avoid, minimize, mitigate and/or compensate for identified aboriginal community concerns and commonly address, among other things, (i) implementation of the impact and benefit agreement over the stages of the major development, (ii) training and employment of the aboriginal community, (iii) contracting and business opportunities for the aboriginal community, and (iv) financial payments to the aboriginal community.

It should be recognized that the mapping provided with the New Dawn Agreement is not precise and thus our determination is based on our best efforts to reconcile the mapping contained in the New Dawn Agreement and mapping maintained by the NL Department of Natural Resources.

It is significant that there presently exists an overlap between the Labrador Inuit's LIL and LISA lands, as set forth in the LILCA, and certain lands contemplated in the New Dawn Agreement to be included as Innu lands under FILCA. The New Dawn Agreement provides that the Innu Nation and the Nunatsiavut (Labrador Inuit) Government must make appropriate arrangements concerning such overlap areas as a precondition to any concluded land claims agreement with the Innu Nation.

- (iii) The areas covered by the Subject Licences may also be subject to aboriginal rights and claims asserted by: (A) the NunatuKavut (formerly

the Labrador Metis Nation); and (B) various Innu groups located in Quebec (the “Quebec Innu”)¹.

The aboriginal rights and claims asserted by the NunatuKavut and the Quebec Innu have not been formally recognized to date in Labrador, and we are aware of no lands claim negotiations in progress with either of these groups. Nonetheless, there may be a Crown duty to consult these groups in respect of any approvals, permits, licences, or other governmental authorizations provided in the areas impacted by the Subject Licences, which duty to consult may have collateral impacts on those Subject Licences. In this regard, we note that Department of Natural Resources has instituted a consultation process for all Labrador West mineral exploration approval applications.

5. Description of the Subject Licences

The Subject Licences are issued pursuant to and governed by the Act and Regulations, which prescribes much of the NL mineral rights regime. The salient provisions of this legislation include the following:

- (a) **(Crown-Owned Land):** The Act applies to Crown-owned mineral rights and land. Subject to and to the extent of the aboriginal rights and claims that affect the areas covered by the Subject Licences and any third party surface rights over such areas, the Subject Licences cover Crown-owned mineral lands.
- (b) **(Right to Licence):** The Act provides that any corporation has the right to obtain a map staked licence to land which is open for staking.
- (c) **(Rights):** Subject to the terms of the licence, a mineral licence holder has the exclusive right to explore for minerals in, on or under the area of land described in the licence. A licence does not, however, confer any right to remove minerals except for the purpose of sampling, assaying and testing.

The Regulations oblige a mineral licensee to obtain a licence of occupation under the *Lands Act* (NL) in circumstances in which a base camp (defined so as not to include small temporary camps involving no ground disturbance excepting clearing to permit establishment of tents and allowance of use of rotary-winged aircraft to support the site) is established.

The Act prohibits mineral exploration of privately-owned mineral rights or lands unless the consent of the owner or any other person having a legal or equitable interest therein is obtained.

¹ We are aware of seven Innu groups located in Québec which have asserted claims in Labrador, including: (a) the Pakua Shipi in eastern Québec; (b) the Unanmen Shipu in eastern Québec; (c) the Nutashkuan in eastern Québec; (d) the Ekuanitshit in eastern Québec; (e) the Uashat mak Mani-Utenam in central-eastern Québec; (f) the Matimekush-Lac John in north-eastern Québec; and (g) the Naskapi Nation of Kawawachikamach in north-eastern Québec.

- (d) **(Term):** Mineral licences have an initial term of five years from the date of issue.
- (e) **(Renewal Terms):** The Act provides for up to three five-year extensions of the initial five-year term of a mineral licence. Licence extensions will be granted as a matter of course provided that the licensee has complied with all terms, provisions and conditions of the licence during its currency and has filed a report of the assessment work undertaken in the fifth year of the term or renewal term of the licence, as the case may be. A licence that has been extended three times may be further extended by special application to the Minister by a maximum of ten renewals periods of one year each (with application for renewal occurring prior to the end of each one year term), such further renewals are subject to certain additional conditions and each licence renewed passed this date can have a maximum number of claims per licence of 100 claims.
- (f) **(Conditions):** The Act obliges a licensee to file an annual report respecting mineral exploration activities carried out in the previous calendar year on or before March 15 of the year following the calendar year in which such activities are carried out.

Among the key licence conditions prescribed by the Act and Regulations is the requirement to perform annual assessment work. Section 47 of the Regulations provides that to maintain a mineral licence in good standing, a licensee must expend the following amounts on the exploration of the mineral lands described in the licence during the initial term:

- CAD\$200 per map staked claim during the first year;
- CAD\$250 per map staked claim during the second year;
- CAD\$300 per map staked claim during the third year;
- CAD\$350 per map staked claim during the fourth year; and
- CAD\$400 per map staked claim during the fifth year.

If the term of a mineral licence is extended, the work expenditure obligations will increase for the first extended term (years 6 – 10), the second extended term (years 11 – 15) and the third extended term (years 16 – 20), as follows:

- for each year of the first extended term, years 6 – 10, by multiplying the number of claims held under the licence by CAD\$600;
- for each year of the second extended term, years 11-15, by multiplying the number of claims held under the licence by CAD\$900; and
- for each year of the third extended term, years 16-20, by multiplying the number of claims held under the licence by CAD\$1,200.

The Act contains a number of provisions entitling the Minister of Natural Resources to cancel a mineral licence in circumstances in which a licensee is in

breach of the terms of a licence, the licence was issued pursuant to a licensee's material misrepresentation, or a licensee is insolvent.

- (g) **(Transfer):** The Act permits the transfer of a licence by a licence holder provided that the written approval of the Minister of Natural Resources is obtained. Generally, Minister of Natural Resources' approval to transfer of licences is provided as a matter of course.
- (h) **(Registration Required for Validity):** The Act requires registration of mining and mineral rights transfers, agreements, security instruments and interests to afford them validity under NL law. The Registry of the Mineral Claims Recorder for NL is the principal public registry at which it is required and customary to register mining and mineral rights transfers, agreements, security instruments and interests. Prima facie, under the Act, any unregistered agreements are invalid and will remain invalid unless and until they are registered.
- (i) **(Conversion into Mining Lease):** The Act entitles a mineral licence holder, at any time after the third year of the first term of the licence, to convert a mineral licence to a mining lease for a term of a reasonable period, not exceeding 25 years. The only preconditions to the issuance of a mining lease are that (i) the licensee has complied with all of the terms, provisions and conditions of the mineral licence during its currency, (ii) the licensee submits a survey prepared by an NL Land Surveyor of the lands sought to be covered by the mining lease, together with the relative surveyor's notes, (iii) the land proposed to be covered by the mining lease is marked in the manner prescribed by regulation (i.e. corner posts are established), (iv) the licensee's application for the mining lease is received by the Minister of Natural Resources during the currency of the licence, and (v) reports confirming that all of the assessment work required for the first three years of the licence have been completed and filed.² The Act also prescribes the following as the essential terms of a mining lease:
- payment of the prescribed annual rental (currently CAD\$120 per hectare);
 - the requirement to commence mineral production within 5 years from the date of the beginning of the lease, and to maintain that production without cessation except for a period totalling 5 years during the remainder of the period covered by the lease;
 - the right of entry by the Minister of Natural Resources and his personnel to inspect the mining lease area and the lessee's mine and books of account;
 - the lessee's compliance with all applicable laws, including the Regulations;

² The NL Court of Appeal has strongly affirmed the non-discretionary entitlement of a mineral licensee to obtain a mining lease subject only to the performance of conditions which are solely within the licensee's control. See *Archean Resources Ltd. v. Minister of Finance* (2002), 215 Nfld. & P.E.I.R. 124 (Nfld. C.A.); leave to appeal to the Supreme Court of Canada denied (2003), 230 Nfld. & P.E.I.R. 182 (S.C.C.).

- where ordered to do so by the Government of NL, the obligation to complete primary production, in whole or in part, in the province of NL, of a mineral or mineral ore extracted or removed under the mining lease; and
 - compliance with such other terms and conditions that the Minister of Natural Resources may impose in the mining lease.
- (j) **(Mining Lease Rights):** A mining lease confers upon the lessee the exclusive right to develop, extract, remove, deal with, sell, mortgage or otherwise dispose of all the unalienated minerals, or those specified in the lease, in, on or under the land described in the lease.

6. Qualifications and Assumptions

This Report is subject to the following qualifications and assumptions:

- (a) we are solicitors qualified to carry on the practice of law in NL and we express no opinion as to any laws, or matters, governed by any laws, other than the laws of NL;
- (b) this opinion is given as at the date hereof and we disclaim any obligation or undertaking to advise any person of any change in law or fact which may come to our attention after the date hereof;
- (c) we assume the accuracy of the indices and filing systems maintained at the public registries and offices where we have searched or inquired or have caused searches or inquiries to be conducted as the case may be;
- (d) we assume the genuineness of all signatures, the legal capacity of all individuals, the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as certified or telecopies or as facsimiles;
- (e) title to the Subject Licences may be subject to prior unregistered agreements or transfers, or aboriginal land claims, and title may be affected by undetected defects;
- (f) the Subject Licences confer only mineral exploration rights and mining lease conversion rights under section 31 of the Mineral Act and regulations the Subject Licences, and we express no opinion as to surface rights;
- (g) we have not been party to any physical examination of the lands subject to the Subject Licences and consequently express no opinion as to the actual boundaries, acreages, any encroachments or the location of any buildings thereon.;
- (h) this Report does not cover any third party interests, including encumbrances or native land claims, in relation to the Subject Licences that are not apparent from our searches and the information provided to us;

- (i) the validity of the Subject Licences depend, amongst other things, on compliance with the requirements of the Act and Regulations at the time the Subject Licences were issued and thereafter and, unless apparent from our searches or the information provided to us, we assume Altius' current compliance with the requirements necessary to maintain the Subject Licences in good standing;
- (j) the validity and good standing of each of the Subject Licences is subject to compliance with the terms and conditions of each such mineral licence, including the requirement that all necessary work is completed and assessment reports submitted as prescribed for each such licence and we have assumed that no event has occurred which would make the Subject Licences subject to cancellation pursuant to the Act;
- (k) we have not obtained any certificates or other clearances pursuant to applicable provincial or federal environmental legislation and we do not express any opinion in respect of environmental matters affecting the Leases or Licences;
- (l) we express no opinions with respect to liens in favour of the Canada Revenue Agency under the *Excise Tax Act* (Canada) and/or the *Income Tax Act* (Canada) or to the Department of Finance (NL) under the *Revenue Administration Act* (NL);and
- (m) no opinion is expressed with respect to the Government of NL having granted any rights or made any orders or declarations under the *Forestry Act*, R.S.N.L. 1990, c. F-23, as amended or having declared any areas to be protected areas under the *Wilderness and Ecological Reserves Act*, R.S.N.L. 1990, c. W-9, as amended, the *Provincial Parks Act*, R.S.N.L. 1990, c. P-32, as amended, the *Historic Resources Act*, R.S.N.L. 1990, c. H-4, as amended or the *Wildlife Act*, R.S.N.L. 1990, c. W-8, as amended, respecting the areas covered by the Subject Licences.

7. Qualifications & Independence

Stewart McKelvey is a firm of solicitors qualified to give advice in relation to all matters considered in this Report. Stewart McKelvey has extensive experience in mining law in the Province of Newfoundland and Labrador, Canada.

Stewart McKelvey has no interest in Paladin Energy Ltd (other than fees for professional work done) or in Summit Resources Limited. Stewart McKelvey has no involvement in the preparation of the Bidder's Statement by Paladin Energy Ltd, other than the preparation of this Report. Stewart McKelvey is therefore considered independent of Paladin Energy Ltd for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Bidder's Statement.

The people responsible for preparing this Report are Neil Jacobs, Partner of Stewart McKelvey, and Tauna Staniland, Partner of Stewart McKelvey.

8. Consent

This Report is given solely for the benefit of Paladin Energy Ltd and the directors of Paladin Energy Ltd in connection with the issuance of the Bidder's Statement, and is rendered effective as at the date hereof. In the event of changes in the law, facts or circumstances subsequent to the date of this Report, we assume no responsibility to update this report.

Yours truly,

A handwritten signature in blue ink that reads "Stewart McKelvey". The signature is written in a cursive, flowing style.

SCHEDULE A
Mineral Titles

Mineral Licence ³	Licence Holder	Number of Claims	Issue Date	Renewal Date	Next Annual Report Due Date	Next Expenditures ⁴	Location
017286M	Aurora Energy Ltd	190	March 27, 2003	March 27, 2023	May 27, 2019	\$228,000.00	East of Kaipokok Bay
017289M	Aurora Energy Ltd	120	March 27, 2003	March 27, 2023	May 27, 2019	\$144,000.00	East of Kaipokok Bay
017290M	Aurora Energy Ltd	36	March 27, 2003	March 27, 2023	May 27, 2019	\$43,200.00	East of Kaipokok Bay
017292M	Aurora Energy Ltd	137	March 27, 2003	March 27, 2023	May 27, 2019	\$164,400.00	East of Kaipokok Bay
017301M	Aurora Energy Ltd	54	March 27, 2003	March 27, 2023	May 27, 2019	\$64,800.00	Kaipokok Bay
024697M	Aurora Energy Ltd	137	March 27, 2003	March 27, 2023	May 27, 2019	\$274,000.00	Kaipokok Bay
024932M	Aurora Energy Ltd	126	March 27, 2003	March 27, 2023	May 27, 2019	\$130,067.12	Kaipokok Bay
024946M	Aurora Energy Ltd	127	March 27, 2003	March 27, 2023	May 27, 2019	\$26,975.16	White Bear Lake
024995M*	Aurora Energy Ltd	247	March 27, 2003	March 27, 2023	May 27, 2019	\$494,000.00	Kaipokok Bay
025621M	Aurora Energy Ltd	99	March 27, 2003	March 27, 2023	May 27, 2019	\$198,000.00	East of Kaipokok Bay
025641M	Aurora Energy Ltd	174	March 27, 2003	March 27, 2023	May 27, 2019	\$141,052.21	East of Kaipokok Bay
025649M	Aurora Energy Ltd	166	March 27, 2003	March 27, 2023	May 27, 2019	\$19,754.42	White Bear Lake
025651M	Aurora	120	March 27, 2003	March 27, 2023	May 27, 2019	\$240,000.00	White Bear Lake

³ See Section 5(f) of the Report for a description of the principal conditions which attach to the Subject Licences and mineral licences in general.

⁴ Amounts represent required work expenditures on Subject Licences. Pursuant to the Act and Regulations there are no rental payments required on mineral licences.

Mineral Licence ³	Licence Holder	Number of Claims	Issue Date	Renewal Date	Next Annual Report Due Date	Next Expenditures ⁴	Location
	Energy Ltd		2003	2023			
025658M*	Aurora Energy Ltd	215	March 27, 2003	March 27, 2023	May 27, 2019	\$96,288.04	East of Kaipokok Bay
025675M	Aurora Energy Ltd	44	March 27, 2003	March 27, 2023	May 27, 2019	\$20,804.27	White Bear Lake
025676M	Aurora Energy Ltd	62	March 27, 2003	March 27, 2023	May 27, 2019	\$29,315.09	White Bear Lake
025677M	Aurora Energy Ltd	145	March 27, 2003	March 27, 2023	May 27, 2019	\$68,559.47	White Bear Lake
025678M*	Aurora Energy Ltd	191	March 27, 2003	March 27, 2023	May 27, 2019	\$382,000.00	White Bear Lake
025680M	Aurora Energy Ltd	147	March 27, 2003	March 27, 2023	May 27, 2019	\$294,000.00	East of Kaipokok Bay
025681M	Aurora Energy Ltd	42	March 27, 2003	March 27, 2023	May 27, 2019	\$84,000.00	East of Kaipokok Bay
025682M	Aurora Energy Ltd	156	March 27, 2003	March 27, 2023	May 27, 2019	\$149,910.13	Kaipokok Bay
025683M	Aurora Energy Ltd	98	March 27, 2003	March 27, 2023	May 27, 2019	\$94,174.31	Kaipokok Bay
025929M	Aurora Energy Ltd	128	March 27, 2003	March 27, 2023	May 27, 2019	\$142,625.48	Kaipokok Bay
025931M	Aurora Energy Ltd	60	March 27, 2003	March 27, 2023	May 27, 2019	\$66,855.71	Kaipokok Bay
025932M*	Aurora Energy Ltd	206	March 27, 2003	March 27, 2023	May 27, 2019	\$187,624.24	Kaipokok Bay
009415M	Aurora Energy Ltd	40	March 27, 2003	March 27, 2023	May 27, 2019	\$115,000.38	Pocketknife Lake
022147M	Aurora Energy Ltd	95	March 27, 2003	March 27, 2023	May 27, 2019	\$114,000.00	East of Kaipokok Bay

Mineral Licence ³	Licence Holder	Number of Claims	Issue Date	Renewal Date	Next Annual Report Due Date	Next Expenditures ⁴	Location
025933M	Aurora Energy Ltd	168	March 27, 2003	March 27, 2023	May 27, 2019	\$25,262.82	East of Kaipokok Bay
025935M	Aurora Energy Ltd	134	March 27, 2003	March 27, 2023	May 27, 2019	\$41,926.81	East of Kaipokok Bay

**ANNEXURE H – SOLICITOR’S REPORT ON THE AUSTRALIAN
TENEMENTS**

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10 September 2018

The Board of Directors of
Paladin Energy Ltd
Level 4, 502 Hay Street
SUBIACO WA 6008

To the Board of Directors

SOLICITOR'S REPORT ON TENEMENTS

This report has been prepared for inclusion in a Bidder's Statement to be dated on or about 11 September 2018 (**Bidder's Statement**), prepared by Paladin Energy Ltd (ACN 061 681 098) (**Company** or **Paladin**) for its off-market takeover offer to acquire all of the fully paid ordinary shares in Summit Resources Limited that Paladin does not already own.

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Tenements are located in Western Australia and Queensland. Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

Western Australian Searches

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) (**Tenement Searches**). These searches were conducted on 23 August 2018;
- (b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use

agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements (**WA Native Title Searches**). This material was obtained on 27 August 2018. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part II of this Report;

- (c) we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Western Australian Department of Aboriginal Affairs (**DAA**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**WA Heritage Searches**). These searches were conducted on 23 August 2018. Details of any Aboriginal Sites are set out in Part II of this Report;
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 23 August 2018. Details of any material issues identified from the Tengraph Searches are set out in the notes to Part 1 of this Report; and
- (e) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms (details of which are set out in Part III of this Report),

(together, the **WA Searches**).

Queensland Searches

- (f) we have obtained Public Enquiry Reports of the QLD Tenements in the registers maintained by the Queensland Department of Natural Resources, Mines and Energy on 23 August 2018 (**DNRME**) (**QLD Tenement Searches**);
- (g) we have obtained Aboriginal heritage site searches on the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register maintained by the Department of Aboriginal and Torres Strait Islander Partnerships on 8 June 2018 (**QLD Heritage Searches**);
- (h) we have obtained Maps of environmentally sensitive areas in the registers maintained by the Department of Environment and Heritage Protection on 30 August 2018;
- (i) we have obtained Maps on the MinesOnlineMaps system maintained by the DNRME between 30 August 2018 and 4 September 2018, including searches on the following layers:
 - (i) all available layers;
 - (ii) current permits and layers;
 - (iii) historical permits and layers;
 - (iv) EPM constraints; and
 - (v) constrained and unavailable lands;

- (j) we have obtained searches of the registers maintained by the NNTT on 27 August 2018 for native title claims, determinations and ILUAs overlapping the QLD Tenements (**QLD Native Title Searches**). Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part II of this Report,
- (together, the **QLD Searches**).

2. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) **(Company's interest)**: the Company's interest in the Tenements;
- (b) **(Good standing)**: the validity and good standing of the Tenements; and
- (c) **(Third party interests)**: third party interests, including encumbrances, in relation to the Tenements.

3. EXECUTIVE SUMMARY

We confirm that:

- (a) M08/86, M08/87, M08/88, E08/1644, E08/1645 and E08/1646 have been validly granted under the *Mining Act 1978* (WA) (**WA Mining Act**) (**WA Tenements**); and
- (b) EPM12572, EPM17513, EPM17514, EPM 17519, MDL507 MLD508, MDL509, MDL510, MDL511 and MDL513 have been validly granted under the *Mineral Resources Act 1989* (QLD) (**QLD Resources Act**) (**QLD Tenements**),

(together, the **Tenements**).

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

- (a) **(Australia's Uranium Policy)**: All Tenements included in this Report are uranium mining or exploration tenements. At the national level of Australian politics, both the Federal Coalition parties and the Federal Labor Party support development of the uranium industry. However, the granting of licences to mine uranium is a decision made within the residual jurisdiction of each State government and the government of the Northern Territory.

A State election held in Western Australia (**WA**) on 11 March 2017 resulted in the Australian Labor Party coming into power. On 20 June 2017, the State Labor government reintroduced a no-development mining policy. The policy reverses the previous Liberal-National Party coalition's policy allowing for uranium mining in WA over the past eight years. The policy institutes a ban on all future grants of mining leases, with the exception of projects that have been granted State Ministerial approval by the former government.

The State Labor government of Queensland permits uranium exploration, but bans uranium mining. To progress the currently estimated uranium mineral

resources in the Mount Isa region to mineral reserve status will require the support of the Queensland state government.

- (b) **(Paladin's Interest)** Paladin has the following interest in the Tenements:
- (i) tenements MDL510, MDL513 and EPM17514 are covered by the Isa Uranium Joint Venture. Paladin's effective participating interest in the Isa Uranium Joint Venture is 91.04% through its ownership of 82.08% of Summit Resources Limited and 100% ownership of Mount Isa Uranium Pty Ltd;
 - (ii) Paladin's effective interest in tenements MDL509, MDL511, MDL513, EPM 17513 and EPM17519 is 82.08% through its ownership of 82.08% of Summit Resources Limited;
 - (iii) Paladin has a 100% legal interest in tenements MDL507, MDL508 and EPM12572 through its wholly owned subsidiary Fusion Resources Pty Ltd; and
 - (iv) Paladin has a 100% legal interest in the WA Tenements through its wholly owned subsidiary Paladin Energy Minerals NL.
- (c) **(Additional Interests)** A number of the Tenements are subject to interests in Crown land, pastoral and historical leases. Details of these interests are set out in sections 8 and 9 of this Report.
- (d) **(Rent / Expenditure):** Upon the basis of the WA Searches we confirm that the WA Tenements are currently in good standing and not subject to forfeiture. Based on information provided by the Company, we understand that the QLD Tenements are in good standing. However, the QLD Tenement searches do not confirm whether rent and expenditure requirements in relation to the QLD Tenements have been satisfied. We have requested confirmation of this from the DNRME. However, this confirmation had not been provided by DNRME at the date of this Report. We have no reason to believe that the QLD Tenements are not in good standing.
- (e) **(Third party interests):** The following Tenements are subject to royalties:
- (i) Manyingee Uranium Project WA Tenements, ML08/86, ML08/87 and ML08/88 are subject to the royalty agreements summarised in Section 1.3 and 1.4 in Part III – Material Contract Summaries of this report;
- (f) **(Material contracts):** Refer to Part III of this Report for a summary of the material contracts affecting the Tenements.
- (g) A number of the Tenements overlap with registered Aboriginal Heritage Sites.
- (h) A number of the Tenements are overlapped with registered native title claims, determinations and/or ILUAs. Details of these overlaps are set out in section 7.3 and Part II of this Report.

4. WESTERN AUSTRALIAN TENEMENTS

The WA Tenements comprise 3 mining leases and 3 exploration licences granted under the WA Mining Act. The Tenement Schedule at Part I of this Report provides a

list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act.

4.1 Exploration Licence

Rights: The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

Term: An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

Retention status: The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

Conditions: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

Relinquishment: The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

Priority to apply for mining lease: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

Transfer: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

4.2 Mining lease

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation

report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease.

Transfer: The consent of the Minister is required to transfer a mining lease.

5. QUEENSLAND TENEMENTS

The QLD Tenements comprise 4 Exploration Permits for Minerals (**EPM**) and 6 Mineral Development Licences (**MDL**) applied for under the QLD Resources Act. The QLD Resources Act regulates the assessment, development and utilisation of mineral resource in QLD. In Queensland, the Crown owns all minerals on or below the surface of the land, except in certain limited circumstances. As the owner of the minerals, the Crown is entitled to grant mining tenements that confer rights on licensees or lessees to explore for and mine minerals in accordance with the QLD Resources Act.

5.1 Exploration Permit for Minerals

Rights: An exploration permit issued under the QLD Resources Act is issued for the purpose of exploring for minerals (other than coal) and allows the holder to take action to determine the existence, quality and quantity of minerals on, in or under land by methods which include prospecting, geophysical surveys, drilling, and sampling and testing of materials.

Term: An EPM can be granted for a period of up to 5 years and is capable of renewal, although there is no automatic right to renewal.

Conditions: EPMs are granted subject to general conditions prescribed by the QLD Resources Act. The conditions include that the holder must carry out exploration programs and studies for the purpose for which the EPM was granted and for no other purpose, that the holder must carry out improvement restoration to the EPM, that the holder must remove all plant and equipment prior to termination of the term of the EPM and that the holder must give annual reports, relinquishment reports and exploration study reports to the Minister.

Work program and expenditure: the holder of an EPM is required to comply with minimum work program and expenditure requirements.

Relinquishment: The area of land over which an EPM is granted must be reduced by 40% by the end of the first 3 years after the EPM is granted and by a further 50% of the remaining area by the end of the first 5 years after the EPM is granted.

Rehabilitation: EPM holders are also required to rehabilitate areas disturbed by exploration activities and must provide security sufficient to cover the likely rehabilitation costs in the event that they default on this obligation.

Rent: The holders of EPMs are required to pay rent on the EPM payable before the grant of the permit. For each year the EPM is in force, rent is payable on or before each anniversary of the grant or renewal of the EPM.

Transfer: The holder of an EPM may transfer an EPM with the consent of the Minister.

Variation: An EPM holder may apply to the Minister to vary the conditions of an exploration permit. For example, an EPM holder may apply to vary its relinquishment obligations, thereby allowing the EPM holder to retain either a large portion of, or the full area of, the exploration permit area despite the relinquishment obligations outlined above.

5.2 Mineral Development Licence

MDLs are a form of retention tenure for the purpose of undertaking further studies of a resource to evaluate the development potential of the defined resource. Generally, a MDL can only be granted in respect of land which is in the area of an exploration permit held by the MDL applicant for the same mineral where there is a significant mineral occurrence of possible economic potential.

Rights: Subject to the provisions of the QLD Resources Act, an MDL gives the MDL holder exclusive rights to undertake specified activities leading to the evaluation and economic development of an ore body within the licence area, but does not permit mining, nor does it guarantee a mining lease (to conduct mining) will be granted. The holder of an MDL is permitted to access the area of the licence (with such vehicles, machinery and equipment as required) and carry out activities on the area of the licence which are appropriate for the purpose for which the licence is granted.

Term: The initial maximum term for a MDL is 5 years. The holder of an MDL may apply for a renewal of the term of the MDL for a further term of not more than 5 years, as decided by the Minister. Any application for renewal must be lodged at least 6 months and not more than 1 year before the current term expires.

Conditions: MDLs are granted subject to general conditions prescribed by the QLD Resources Act. The conditions include that the holder comply with mandatory provisions of the land access code, the holder must carry out the activities for which the MDL was granted, the holder must carry out improvement restoration to the MDL, the holder must remove all plant and equipment prior to termination of the term of the MDL and the holder must give annual reports, relinquishment reports and activity reports to the Minister.

Transfer: A transfer of an MDL must be registered under the Common Provisions Act in order to have effect. The Minister's approval is required to register a transfer of an MDL.

Additional minerals: Where an MDL has been granted for a particular mineral, the holder may make an application to the Minister to include additional minerals on the licence.

Priority to apply for Mining Lease: The holder of an MDL has priority to apply for any number of mineral development licences and mining leases relating to minerals specified in the MDL in respect of land in the area of the MDL. Where the holder of an MDL has made an application for a mining lease over part of the area of the licence, the holder will continue to have the responsibilities, powers, authorities and duties that the licence holder would have had if the licence was still on foot in relation to that part of the licence area which is the subject of the mining lease application.

Direction to apply for a Mining Lease: The Minister may direct that the holder of an MDL apply for a mining lease if the Minister is of the opinion that actual mining operations should commence on any part of the area of the licence. If the holder fails to apply for the tenure as directed by the Minister, the Minister may, in his discretion, cancel the permit.

6. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenements

Aboriginal sites were identified from the WA Heritage Searches and QLD Heritage Searches (as noted in Part II of this Report).

It is noted that a standard Aboriginal heritage agreement has been entered into in respect of the Tenements (as noted in Part II following this Report) which sets out the obligations of the parties holding an interest in the Tenements (whether title or mineral rights only) in protecting Aboriginal heritage in areas where exploration takes place in a manner that is transparent, timely, certain and cost effective.

Under Aboriginal heritage agreements parties holding an interest in a tenement (whether title or mineral rights only) may dispose of any or all of its rights with respect to their interest in the tenement, but must first procure an executed deed of assumption in favour of the relevant native title group by which the assignee (purchaser) agrees to be bound by the provisions of the heritage agreement and to assume, observe and perform the obligations of the assignor (vendor) under the heritage agreement insofar as they relate to the interest being acquired by the assignee (purchaser). In the case of the Company such an assumption would be restricted to the obligations relating to the mineral rights (excluding iron ore) on the Tenements.

As heritage agreements relate to the process of 'clearing' areas of land on tenements in order to conduct exploration activities it is possible a purchaser may rely on surveys previously completed by a vendor where it wishes to conduct activities on areas within tenements previously cleared of heritage sites without the requirements to repeat the process and incur additional costs.

6.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

6.2 Western Australian legislation

The *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**) applies to the WA Tenements.

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DIA or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

6.3 Queensland legislation

The *Aboriginal Cultural Heritage Act 2003 (Qld)* (**ACH Act**) applies to the QLD Tenements and imposes a duty of care on persons carrying out works not to cause harm to sites of Aboriginal cultural heritage. The Aboriginal Cultural Heritage Duty of Care Guidelines (which have legal status and are gazetted by the Minister under the ACH Act) outline how the cultural heritage duty of care requirements may be met.

Upon grant of a mining tenement and prior to the commencement of any activities under the tenement, the holders must dispose of the duty of care obligations under the ACH Act (via an agreement or approved plan) or they will be exposed to a significant risk of breaching the ACH Act.

Further, the ACH Act makes it unlawful to harm Aboriginal cultural heritage if the person knew or ought to have known that Aboriginal cultural heritage existed on the site. Therefore, even on tenements where no Aboriginal cultural heritage sites have been identified, there is a possibility that sites exist undiscovered, that, with reasonable steps, should have been found.

This means that explorers often enter into Aboriginal cultural heritage agreements in order to manage their risk with respect to Aboriginal cultural heritage, and the significant fines associated with a breach of the ACH Act.

We note that, despite the results of the QLD Heritage Searches, other undiscovered or undocumented sites of Aboriginal heritage may exist on the QLD Tenements.

7. NATIVE TITLE

7.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2)* (1992) 175 CLR 1 (**Mabo no.2**).

The High Court in Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, were granted or renewed without due regard to native title rights, were invalid. The High Court concluded that:

- (a) native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous “exclusive possession” acts; and
- (b) native title has been partially extinguished as a result of the grant of “non-exclusive possession” pastoral leases and mining leases, and also as a result of the creation of certain reserves.

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

7.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process (defined below) and the Expedited Procedure. These are summarised below.

Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (eg in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 7.3 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if

so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Infrastructure Process

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities. In Western Australia, DMP applies the Infrastructure Process to two classes of mining tenements:

- (a) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) that but, notably, not for a minesite administration facility or a minesite accommodation facility (both of which are dealt with under the Right to Negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and
- (b) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

- (a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;
- (b) if relevant, any access to the land; and

- (c) the way in which anything authorised by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia, this is the Chief Magistrate). The independent person must determine whether or not the registered native title claimant or holder's objection should be upheld or other conditions should be imposed on the tenement.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the tenement can be granted.

Exception to requirement to comply with Future Act Provisions

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a

tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

Application to the Tenements

The following sections of the Report identify:

- (a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenements (see Section 7.3);
- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 7.5);
- (c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 7.5); and
- (d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 7.5).

7.3 Native title claims, native title determinations and ILUAs

Our searches indicate that all of the Tenements are within the external boundaries of the native title claims specified in Part II of the Schedule. All of the native title claims, native title determinations and ILUAS are registered.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

Freehold land

We have assumed that all of the freehold land the subject of the Tenements was validly granted prior to 23 December 1996 and that therefore:

- (a) native title has been extinguished in respect of that land;
- (b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

The Company has advised us that it proposes to undertake exploration and, subject to receipt of relevant approvals, mining activities on areas designated as freehold land. On the basis that native title is extinguished over freehold land, the Company will not be required to enter into negotiations with respect to native title in order to conduct its activities.

Non-freehold land

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown

reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

In particular, native title may continue to subsist in the following parcels within the following Tenements, if those parcels have not been developed as public works:

Unless it is essential that the Company has access to any of the above-mentioned parcels (or any other non-freehold land), it is recommended that all parcels of non-freehold land are excised from any applications for mining leases. If the Company wishes to undertake mining activities on any of the above-mentioned parcels, we would expect the Right to Negotiate to apply.

7.4 Validity of Tenements under the NTA

Our Searches indicate that the Tenements are within the external boundaries of the following native title claims, native title determinations and ILUAs.

Western Australian Tenements

Tenement	Native Title Claim	Native Title Determination	ILUA
E08/1644	WC1997/028	Not applicable	Not applicable
E08/1645	WC1997/028	WCD2017/006	WI2013/004, WI2013/005, WI2017/019, WI2017/021
E08/1646	WC1997/028	WCD2009/002 WCD2017/006	WI2010/015, WI2010/020, WI2013/003, WI2013/004, WI2017/019, WI2017/020
M08/86	Not applicable	WCD2008/003	WI2009/024, WI2009/026, WI2010/023
M08/87	Not applicable	WCD2008/003	WI2009/024, WI2009/026, WI2010/023
M08/88	Not applicable	WCD2008/003	WI2010/023, WI2009/024

Queensland Tenements

Tenement	Native Title Claim	Native Title Determination	ILUA
EPM12572	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/026, QI2012/038, QI2012/042, QI2013/088
EPM17513	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2003/029, QI2012/026, QI2012/038, QI2012/042, QI2013/088
EPM17514	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2003/029, QI2012/007, QI2012/026, QI2012/038, QI2012/042, QI2013/088
EPM17519	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/026, QI2012/038, QI2012/042, QI2013/088
MDL507	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/026, QI2012/038, QI2012/042, QI2013/088
MDL508	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/026, QI2012/038, QI2012/042,

Tenement	Native Title Claim	Native Title Determination	ILUA
			QI2013/088
MDL509	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/026, QI2012/038, QI2012/042, QI2012/021, QI2013/088
MDL510	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2003/029, QI2011/030, QI2012/007, QI2012/026, QI2012/038, QI2012/042, QI2013/088
MDL511	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2003/029, QI2011/030, QI2012/026, QI2012/038, QI2012/042, QI2013/088
MDL513	Not applicable	QCD2011/007	QI2001/007, QI2001/046, QI2011/030, QI2012/007, QI2012/026, QI2012/038, QI2012/042, QI2013/088

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of this Report.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

7.5 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 1 January 1994 (Past Acts)

Our Searches indicate that none of the Tenements were granted before 1 January 1994.

Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)

Our Searches indicate that none of the Tenements were granted after 1 January 1994 but before 23 December 1996.

Tenements granted after 23 December 1996

Our Searches indicate that all of the granted Tenements were granted after 23 December 1996, as set out in Part I of this Report.

We have therefore assumed that all Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 7.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

Valid grant of applications for Tenements

There are currently no applications for tenements however all future applications will need to satisfy the Future Act Provisions in order to be valid under the NTA.

8. CROWN LAND

8.1 Western Australia

As set out in the Tenement Schedule in Part I of this Report, the land the subject of the Tenements overlaps with Crown land as set out in the table below.

Tenement	Crown land	% overlap
M08/86, M08/87	Road reserves (No.274)	N/A
E08/1644, E08/1645	Road reserves (No.8472)	N/A
E08/1645	Road reserves (No.8397)	N/A
E08/1644, E08/1645	"C" Class Reserve Protection of Vermin Proof Fence (R16454)	0.02% 0.03%
E08/1644, E08/1645	"C" Class Reserve Water (R16512)	0.69% 0.59%
E08/1644	"C" Class Reserve Water (R14396)	0.01%
E08/1645	"C" Class Reserve Water Rabbit Department (No.16513)	0.8%
E08/1645	"C" Class Reserve Water Rabbit Department (No.16514)	0.72%

The WA Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
- (i) for the time being under crop (or within 100 metres of that crop);
 - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
 - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
 - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
 - (v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,
- without the written consent of the occupier, unless the warden by order otherwise directs.
- (b) imposes restrictions on a tenement holder passing over Crown land referred to in section 8.1(a), including:
- (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;

- (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 8.1(a) to carry out prospecting, exploration or mining activities;
 - (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
 - (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.
- (c) requires a tenement holder to compensate the occupier of Crown land:
- (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 8.1(a) or otherwise compensate the occupier for any such damage not made good; and
 - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 8.1(a).

The warden may not give the order referred to in section 8.1(a) that dispenses with the occupier's consent in respect of Crown land covered by section 8.1(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 8.1(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the WA Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the WA Mining Act.

Although the Company will be able to undertake its proposed activities on those parts of the Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

8.2 Queensland

As set out in Part I of this Report, the land the subject of the Tenements overlaps with Crown land as set out in the table below.

Tenement	Crown land	% overlap
MDL507, MDL510	Road reserve (Barkly Highway)	N/A

The QLD Resources Act:

- (a) prohibits a resource authority (including the holder of an exploration permit or mineral development licence) entry to public land to carry out an authorised activity unless one of the following apply:

- (i) the activity is an activity that may be carried out by a member of the public without requiring specific approval of the public land authority for the land; or
 - (ii) the public land authority for the land has given a waiver of entry notice for the entry; or
 - (iii) the entry is made in compliance with a periodic entry notice given by the resource authority holder to the public land authority for the land under section 57; or
 - (iv) the entry is needed to preserve life or property or because of an emergency that exists, or may exist.
- (b) a periodic entry notice is the first notice about an entry, or series of entries, to public land to carry out an authorised activity for a resource authority.
- (c) if a resource authority holder gives the public land authority a periodic notice about an entry to public land, the public land authority may impose reasonable and relevant conditions on the resource authority holder about the entry to the public land or the carrying out of the authorised activity.
- (d) the conditions may, for example, include:
- (i) giving the public land authority notice of particular activities being carried out on the land by or for the holder; or
 - (ii) affecting other owners and occupiers of the public land.
- (e) the resource authority holder must comply with the conditions imposed by the public land authority.

9. PASTORAL LEASES

9.1 WA Tenements

As set out in Part I of the Schedule to this Report certain WA Tenements overlap with pastoral leases as follows:

- (a) **Historical Pastoral Lease 394 431** overlaps with:
- (i) 49.67% of M08/86;
 - (ii) 83.44% of M08/87; and
 - (iii) 100% of M08/88.
- (b) **Historical Pastoral Lease 394 481** overlaps with:
- (i) 8.67% of E08/1644; and
 - (ii) 56.94% of E08/1645.
- (c) **Historical Pastoral Lease 394 493** overlaps with 0.08% of E08/1644.
- (d) **Pastoral Lease N049514 (Minderoo)** overlaps with:

- (i) 55.37% of M08/86;
 - (ii) 93.86% of M08/87; and
 - (iii) 100% of M08/88.
- (e) **Pastoral Lease N050196 (Yanrey)** overlaps with:
- (i) 44.28% of M08/86;
 - (ii) 5.6% of M08/87;
- (f) **Pastoral Lease N049957 (Towera)** overlaps with:
- (i) 12.36% of E08/1644; and
 - (ii) 62.61% of E08/1645.
- (g) **Pastoral Lease N049991 (Winning)** overlaps with:
- (i) 1.8% of E08/1644; and
 - (ii) 9.39% of E08/1645.
- (h) **Pastoral Lease N050138 (Lyndon)** overlaps with:
- (i) 25.67% of E08/1645; and
 - (ii) 59.54% of E08/1646.
- (i) **Pastoral Lease N050183 (Emu Creek)** overlaps with 82.85% of E08/1644.
- (j) **Pastoral Lease N050643 (Marrilla)** overlaps with 2.2% of E08/1644.
- (k) **Pastoral Lease N050522 (Middalya)** overlaps with 40.46% of E08/1646.

The WA Mining Act:

- (a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

Upon commencing mining operations on any of the WA Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease holders to ensure the requirements of the WA Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

The DMIRS imposes standard conditions on mining tenements that overlay pastoral leases.

9.2 Qld Tenements

As set out in Part I of the Schedule to this Report certain Qld Tenements overlap with pastoral leases as set out in the following table:

Pastoral Lease	Tenement
CP805055 (Haslingden)	MDL509, MDL510, MDL513
SP162422 (May Downs)	MDL510, MDL513
CP865892 (Calton Hills)	MDL507, MDL508, MDL510, MDL511, MDL513
AA29 (West Leichardt)	MDL509
AA31 (Heywood)	MDL509
BR12 (Camworth)	MDL511

Under the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCPA**), a tenement holder is not permitted to enter private land for the purpose of carrying out an activity it is authorised to carry out on the tenement unless the holder has given each owner and occupier of the land an entry notice. "Private land" is defined as freehold land or an interest in land less than fee simple held from the State under another Act.

For a tenement holder to obtain access to private land, they must comply with the land access and compensation provisions of the MERCPA. A tenement holder is required to provide a notice of intention to enter the land and depending on the level of impact of the exploration activity, to enter into a conduct and compensation agreement (**CCA**) with each owner and occupier of the land.

Under the MERCPA, there is a land access code which applies. That land access code imposes certain mandatory conditions concerning the conduct of authorised activities permitted under EPMs and MDLs on private land.

The requirement to enter into a CCA relates to any activities which are likely to have more than a minimal impact on the land or the owner's or occupier's business operations. These are known as advanced activities. Most ground disturbing works will fall into this category, including clearing access tracks or drill pads, drilling, bulk sampling and geophysical surveys.

If the activities will involve no or minimal impact to the land or the owner or occupier's business, the tenement holder is still required to provide an entry notice to the owner and occupier, unless the owner and occupier have otherwise agreed to waive that requirement.

In addition, in respect of private land, the Company must not enter "restricted land" on an EPM to carry out a "prescribed activity" unless the relevant owner or occupier

of the restricted land has given written consent to the EPM holder carrying out that activity.

“Restricted land” for an EPM is land within:

- (a) 200 metres laterally of a permanent building used as a residence, childcare center, hospital or library, a community sporting or recreational building, a place of worship or a business;
- (b) 200 metres from any area used as a school or area prescribed under the *Environmental Protection Act 1994* (Qld) that is used for aquaculture, intensive animal feedlotting, pig keeping or poultry farming; and
- (c) 50 metres laterally of an artesian well, bore, dam or water storage facility, a principal stockyard, cemetery or burial place.

10. ROYALTIES

We have identified the following royalties as applying to the Tenements, based on our searches of the DMP Register and our due diligence investigations:

	Tenement(s)	Agreement under which Royalty arises	Description	Royalty holder
MANYINGEE URANIUM PROJECT				
1.	ML08/86, ML08/87, ML08/88	The royalty arises under the following agreements. Manyingee/Onslow Sale Agreement as restated at 10 June 1999 between Afmecco Mining and Exploration Pty Ltd, Paladin Energy Minerals NL and Paladin Resources NL (see Material Contract summarised in Section 1.1 of Part III of this Report). Royalty Deed in relation to 92.325% between Afmecco Mining and Exploration Pty Ltd, Paladin Energy Minerals NL and Paladin Resources NL dated 10 June 1999 (see Material Contract summarised in Section 1.2 in Part III of this Report). Royalty Deed in relation to 9.201% between Paladin Energy Minerals NL and Triako Resources Limited dated on or about 10 June 1999 (see Material Contract summarised in Section 1.3 in Part III of this Report).	Refer to Sections 1.2 and 1.3 in Part III of this Report.	Afmecco Mining and Exploration Pty Ltd Triako Resources Limited

11. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNNT;

- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) this Report has been limited to the results of searches and information which could be obtained in the relevant time frame;
- (e) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (f) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (g) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (h) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (i) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (l) we have not considered any further regulatory approvals that may be required under State and Commonwealth law (for example, environmental laws) to authorise activities conducted on the Tenements;
- (m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and

- (a) we have not researched the Tenements to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Tenements.

12. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Bidder's Statement and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Steinepreis Paganin".

STEINEPREIS PAGANIN

PART I – TENEMENT SCHEDULE

Queensland Tenements

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
MDL507	Fusion Resources Pty Ltd	100/100	25/08/2014	31/08/2019	1287.4410 HA	\$37,674	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 246759 approved on 25/01/2016	No exclusions Conditions/ Notes 1 Additional Interests 1-2	There are 4 registered Aboriginal Heritage Sites on this tenement. 98.24% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										(QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
MDL508	Fusion Resources Pty Ltd	100/100	25/08/2014	31/08/2019	931.4910 HA	\$27,261	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 155581 approved on 25/01/2016	No exclusions Conditions/ Notes 1-2 Additional Interests 1	No registered Aboriginal Heritages Sites 100% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										(QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
MDL509	Summit Resources (AUST) Pty Ltd	100/100	25/08/2014	31/08/2019	640.7685 HA	\$18,749	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 155592 approved on 25/01/2016	No exclusions Conditions/ Notes 1-2 Additional Interests 1	No registered Aboriginal Heritages Sites 100% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 45.16% of this tenement is subject to the Kalkadoon People/Heywood and Murrumba ILUA (QI2012/021) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local Government ILUA

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										(QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
MDL510	Summit Resources (AUST) Pty Ltd	100/100	25/08/2014	31/08/2019	5130.7394 HA	\$150,082	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 155600 approved on 25/01/2016	No exclusions Conditions/ Notes 1-2 Additional Interests 1-3	No registered Aboriginal Heritages Sites 99.27% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 24.60% of this tenement is subject to the Kalkadoon and Indjilandji/Dithannoi Peoples Backlog Exploration Permit Project ILUA (QI2003/029) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 7.04% of this tenement

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										<p>tenement is subject to the Kalkadoon People/May Downs (aka Meltham) ILUA (QI2012/007)</p> <p>100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026)</p> <p>100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038)</p> <p>100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042)</p> <p>100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)</p>
MDL511	Summit Resources (AUST) Pty Ltd	100/100	25/08/2014	31/08/2019	2194.2358	\$64,204	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 155608 approved on 25/01/2016	No exclusions Conditions/Notes 2 Additional Interests 1	<p>No registered Aboriginal Heritages Sites</p> <p>100% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007)</p> <p>100% of this tenement is subject to the KERG ILUA (QI2001/007)</p> <p>100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046)</p>

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										<p>99.17% of this tenement is subject to the Kalkadoon and Indjilandji/Dithannoi Peoples Backlog Exploration Permit Project ILUA (QI2003/029)</p> <p>100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030)</p> <p>100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026)</p> <p>100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038)</p> <p>100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042)</p> <p>100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)</p>
MDL513	Summit Resources (AUST) Pty Ltd	100/100	25/08/2014	31/08/2019	3827.6479 HA	\$111,969	\$10,000 (Year 4) \$10,000 (Year 5)	Variation of permit conditions 155613 approved on 25/01/2016	No exclusions Conditions/Notes 1-2 Additional	There are 7 registered Aboriginal Heritages Sites on this tenement 100% of this tenement falls within the Kalkadoon People #4 native title determination area

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
									Interests 1-2	(QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 0.002% of this tenement is subject to the Kalkadoon People/May Downs (aka Meltham) ILUA (QI2012/007) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
EPM17513	Summit	100/100	06/01/2010	05/01/2020	19 Sub-	\$2,960	\$12,385 (Year 8)	Mining rights	Exclusions	There is 1 registered

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
	Resources (AUST) Pty Ltd				blocks		\$45,000 (Year 9)	agreement between Summit Resources (AUST) Pty Ltd, Summit Resources Limited, MM Mining (QLD) Limited and MM Mining PLC closed on 10/12/2010 64 sub-blocks relinquished on 19/02/2015 Variation of permit conditions 206905 approved on 04/07/2017 in respect of variation to work program activities and expenditure Relinquish of 31 sub-blocks 226108 approved on 28/11/2017	1 Conditions 1-3 No additional Interests	Aboriginal Heritage Site on this tenement 99.71% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 81.34% of this tenement is subject to the KERG ILUA (QI2001/007) 81.34% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 42.11% of this tenement is subject to the Kalkadoon and Indjilandji/Dithannoi Peoples Backlog Exploration Permit Project ILUA (QI2003/029) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										Government ILUA (QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
EPM17514	Summit Resources (AUST) Pty Ltd	100/100	06/01/2010	05/01/2020	86 Sub-blocks	\$13,399	\$259,341 (Year 8) \$99,000 (Year 9)	Relinquish of 24 sub-blocks 226122 approved on 28/11/2017 Variation of permit conditions 206915 approved on 04/07/2017 in respect of variation to work program activities and expenditure Relinquishment requested for 26 sub-blocks with renewal application received on 19/11/2014 Relinquishment of 26 sub-blocks on 19/02/2015 Mining rights agreement between Summit Resources (AUST) Pty Ltd, Summit Resources Limited, MM Mining (QLD)	Exclusions 1-2 Conditions 1-3 No additional Interests	There are 13 registered Aboriginal Heritage Sites on this tenement 98.93% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 95.80% of this tenement is subject to the KERG ILUA (QI2001/007) 95.80% of this tenement is subject to the KALKADOON/MIM ILUA (QI2001/046) 19.79% of this tenement is subject to the Kalkadoon and Indjilandji/Dithannoi Peoples Backlog Exploration Permit Project ILUA (QI2003/029) 100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
								Limited and MM Mining PLC closed on 10/12/2010		(QI2011/030) 32.00% of this tenement tenement is subject to the Kalkadoon People/May Downs (aka Meltham) ILUA (QI2012/007) 100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026) 100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038) 100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042) 100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)
EPM17519	Summit Resources (AUST) Pty Ltd	100/100	06/01/2010	05/01/2020	29 Sub-blocks	\$4,518	\$164,520 (Year 8) \$72,000 (Year 9)	EPMs 13415 and 14048 were conditionally surrendered in favour of EPM17519 Mining rights agreement between Summit Resources (AUST) Pty Ltd, Summit Resources Limited, MM Mining (QLD) Limited and MM	Exclusions 1 Conditions 1-5 No additional Interests	There are 2 registered Aboriginal Heritage Sites. 99.22% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007) 100% of this tenement is subject to the KERG ILUA (QI2001/007) 100% of this tenement is subject to the

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
								<p>Mining PLC closed on 10/12/2010</p> <p>Relinquishment of 56 sub-blocks on 19/02/2015</p> <p>Variation of permit conditions 206953 approved on 04/07/2017 in respect of variation to work program activities and expenditure</p> <p>50 sub-blocks relinquished on 05/01/2018</p>		<p>KALKADOON/MIM ILUA (QI2001/046)</p> <p>100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030)</p> <p>100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026)</p> <p>100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038)</p> <p>100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042)</p> <p>100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)</p>
EPM12572	Fusion Resources Pty Ltd	100/100	11/01/2006	10/01/2021	15 sub-blocks	\$2,337	<p>\$186,000 (Year 13)</p> <p>\$47,000 (Year 14)</p>	<p>11 sub-blocks relinquished on 02/02/2010</p> <p>9 sub-blocks relinquished on 10/01/2011</p> <p>10 sub-blocks relinquished on 10/01/2014</p> <p>20 sub-blocks relinquished on 19/02/2015</p> <p>Variation of permit</p>	<p>Exclusions 1, 2-5</p> <p>Conditions 1, 6</p> <p>No additional Interests</p>	<p>There are 15 registered Aboriginal Heritage Sites on this tenement.</p> <p>98.41% of this tenement falls within the Kalkadoon People #4 native title determination area (QCD2011/007)</p> <p>60.01% of this tenement is subject to the KERG ILUA (QI2001/007)</p> <p>60.01% of this tenement</p>

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
								<p>conditions 153311 approved on 14/04/2016</p> <p>Approval to relinquish 45 nominated sub-blocks on 30/03/2016</p>		<p>is subject to the KALKADOON/MIM ILUA (QI2001/046)</p> <p>100% of this tenement is subject to the Kalkadoon People and Ergon Energy ILUA (QI2011/030)</p> <p>100% of this tenement is subject to the Kalkadoon Pre-Determination ILUA (QI2012/026)</p> <p>100% of this tenement is subject to the Kalkadoon Local Government ILUA (QI2012/038)</p> <p>100% of this tenement is subject to the Kalkadoon People/Xstrata ILUA (QI2012/042)</p> <p>100% of this tenement is subject to the Kalkadoon Post-Determination ILUA (QI2013/088)</p>

Key to Tenement Schedule

EPM – Exploration Permit Mineral

MDL – Mineral Development Licence

References to numbers in the “Notes” column refers to the notes following this table.

References to letters in the “Notes” column refers to the material contracts which are summarised in Part III of this Report.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Bidder’s Statement.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

Exclusions

1.	Any current Mining Claim, Mineral Development Licence or Mining Lease at the time of lodgement of this permit pursuant to Section 132 of the Mineral Resources Act 1989.
2.	Sterile Land CWA50 – Commonwealth Acquisition or Purchase
3.	RA 188 (Tourist Development – Gunpowder) – that land within the boundaries as delineated on the Department of Mines and Energy Plan number MP35536.
4.	No EPs (mineral or coal) applications permitted.
5.	Sub-block (Normaton 3185) "O" wholly within this restricted area, now excised from this application.

Conditions/Notes

1.	Endangered Regional Ecosystem/s (Biodiversity status) are contained within the Tenement boundary.
2.	Native Title Protection Conditions.
3.	"General Conditions", Version 3
4.	The permit is also subject to the conditions outlined in the Mineral Resources Act 1989 and Mineral Resources Regulations 2013.
5.	The permit is also subject to the following special conditions: You are required to carry out your work program and comply with the permits conditions throughout the permit term.
6.	A Native Title agreement has been reached under a "Section 31" deed.

Additional Interests

1.	<p>The following Tenements overlap with Pastoral Leases</p> <ul style="list-style-type: none"> • MDL507 <ul style="list-style-type: none"> ○ Lot 5 on CP865892 Pastoral Holding (Calton Hills) • MDL508 <ul style="list-style-type: none"> ○ Lot 5 on CP865892 Pastoral Holding (Calton Hills) • MDL509 <ul style="list-style-type: none"> ○ Lot 1 on AA29 Pastoral Holding (West Leichardt) ○ Lot 100 on AA31 Pastoral Holding (Heywood) ○ Lot 15 on CP805055 Pastoral Holding (Haslingden) • MDL510 <ul style="list-style-type: none"> ○ Lot 15 on CP805055 Pastoral Holding (Haslingden) ○ Lot 5 on CP865892 Pastoral Holding (Calton Hills) ○ Lot 2324 on SP162422 Pastoral Holding (May Downs) • MDL511 <ul style="list-style-type: none"> ○ Lot 5 on CP865892 Pastoral Holding (Calton Hills) ○ Lot 6 on BR12 Pastoral Holding (Camworth) • MDL513 <ul style="list-style-type: none"> ○ Lot 5 on CP865892 Pastoral Holding (Calton Hills) ○ Lot 2324 on SP162422 Pastoral Holding (May Downs)
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	<ul style="list-style-type: none">○ Lot 15 on CP805055 Pastoral Holding (Haslingden)
2.	Easements: <ul style="list-style-type: none">• MDL507<ul style="list-style-type: none">○ Lot F on SP102667 Easement (Power Line)• MDL510<ul style="list-style-type: none">○ Lot E on SP102667 Easement (Power Line)• MDL513<ul style="list-style-type: none">○ Easement D on SP102675 (Power Line)○ Easement E on SP102677 (Power Line)
3.	Road Reserves: <ul style="list-style-type: none">• MDL510 - Barkly Highway

Western Australian Tenements

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
M08/86	Paladin Energy Minerals NL	100/100	18/05/1989	17/05/2031	857.55000 HA	Rent for previous tenement year end 17/05/2019 – paid in full Rent for the tenement year end 17/05/2020 - \$16,044.60	Previous tenement year to 17/05/2018 - \$85,800.00 Spent: \$67,637.00 Exemption 527009 granted 25/07/2018 for \$85,800.00 Current tenement year to 17/05/2019 - \$85,800.00 Commitment	Agreement 154H/934 (see note 1) Agreement 155H/934 (see note 2) Agreement 156H/934 (see note 3) Agreement 157H/934 (see note 4) Licence/Lease Instrument 318173 (see note 5)	No endorsements Conditions 1-10 Tengraph interests 1-6	There are 2 registered Aboriginal Heritages Sites on this tenement. 100% of this tenement falls within the Thalanyji native title determination area (WCD2008/003) 55.37% of this tenement is subject to the Thalanyji and Minderoo Pastoral ILUA (WI2009/024) 44.28% of this tenement is subject to the Thalanyji and Yanrey Pastoral ILUA (WI2009/026) 99.65% of this tenement is subject to the Macedon ILUA (WI2010/023)
M08/87	Paladin Energy Minerals NL	100/100	18/05/1989	17/05/2031	250.55000 HA	Rent for previous tenement year end 17/05/2019 – paid in full Rent for the tenement year end 17/05/2020 - \$4,693.70	Previous tenement year to 17/05/2018 - \$25,100.00 Spent: \$20,774.00 Exemption 527009 granted 25/07/2018 for \$25,100.00 Current tenement year to 17/05/2019 - \$25,100.00 Commitment	Agreement 154H/934 (see note 1) Agreement 155H/934 (see note 2) Agreement 156H/934 (see note 3) Agreement 157H/934 (see note 4) Licence/Lease Instrument 318173 (see note 5)	No endorsements Conditions 1-8, 11 Tengraph interests 1-6	No registered Aboriginal Heritage sites 100% of this tenement falls within the Thalanyji native title determination area (WCD2008/003) 93.86% of this tenement is subject to the Thalanyji and Minderoo Pastoral ILUA (WI2009/024) 5.60% of this tenement is subject to the Thalanyji and Yanrey Pastoral ILUA (WI2009/026) 99.46% of this tenement is subject to the Macedon ILUA (WI2010/023)
M08/88	Paladin Energy	100/100	18/05/1989	17/05/2031	198.10000 HA	Rent for previous	Previous tenement year	Agreement 154H/934 (see	No endorsements	No registered Aboriginal Heritage sites

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
	Minerals NL					tenement year end 17/05/2019 – paid in full Rent for the tenement year end 17/05/2020 - \$3,721.30	to 17/05/2018 - \$19,900.00 Spent: \$16,975.00 Exemption 527009 granted 25/07/2018 for \$19,900.00 Current tenement year to 17/05/2019 - \$19,900.00 Commitment	note 1) Agreement 155H/934 (see note 2) Agreement 156H/934 (see note 3) Agreement 157H/934 (see note 4) Licence/Lease Instrument 318173 (see note 5)	Conditions 1-7, 11 Tengraph interests 2-6	100% of this tenement falls within the Thalanyji native title determination area (WCD2008/003) 100% of this tenement is subject to the Thalanyji and Minderoo Pastoral ILUA (WI2009/024) 100% of this tenement is subject to the Macedon ILUA (WI2010/023)
E08/1644	Paladin Energy Minerals NL	100/100	22/12/2006	21/12/2018	120 BL	Rent for current tenement year to 21/12/2018 – paid in full Rent for the tenement year end 21/12/2019 - \$68,040.00	Previous tenement year to 21/12/2017 - \$360,000.00 Spent: \$102,268.00 Exemption 523635 granted 22/03/2018 for \$360,000.00 Current tenement year to 21/12/2018 - \$360,000.00 Commitment	Partial Surrender – Voluntary 280341 (see note 6) Partial Surrender – Compulsory 413558 (see note 7)	Endorsements 1-2 Conditions 3-6, 12-17 Tengraph interests 1-3, 5-6, 7	No registered Aboriginal Heritage sites 100% of this tenement falls within the Gnulli native title claim area (WC1997/028)
E08/1645	Paladin Energy Minerals NL	100/100	22/12/2006	21/12/2018	120 BL	Rent for current tenement year to 21/12/2018 – paid in full Rent for the tenement year end 21/12/2019 - \$68,040.00	Previous tenement year to 21/12/2017 - \$360,000.00 Spent: \$128,509.00 Exemption 523636 granted 22/03/2018 for \$360,000.00 Current	Partial Surrender – Voluntary 280343 (see note 8) Partial Surrender – Compulsory 413559 (see note 9)	Endorsements 1-2 Conditions 3-6, 10, 12-14, 18-21 Tengraph interests 1-7	There are 2 registered Aboriginal Heritage sites on this tenement 90.13% of this tenement falls within the Gnulli native title claim area (WC1997/028) 9.87% of this tenement falls within the Budina People native title determination area (WCD2017/006)

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
							tenement year to 21/12/2018 - \$360,000.00 Commitment			6.67% of this tenement is subject to the Budina and Lyndon Station Indigenous Land Use Agreement (WI2013/004) 3.18% of this tenement is subject to the Budina and Towera Station Indigenous Land Use Agreement (WI2013/005) 6.67% of this tenement is subject to the Budina and Lyndon ILUA (WI2017/019) 3.18% of this tenement is subject to the Budina and Towera ILUA (WI2017/021)
E08/1646	Paladin Energy Minerals NL	100/100	22/12/2006	21/12/2018	79BL	Rent for current tenement year to 21/12/2018 – paid in full Rent for the tenement year end 21/12/2019 - \$44,793.00	Previous tenement year to 21/12/2017 - \$237,000.00 Spent: \$67,294.00 Exemption 523635 granted 22/03/2018 for \$237,000.00 Current tenement year to 21/12/2018 - \$237,000.00 Commitment	Partial Surrender – Voluntary 280342 (see note 10) Partial Surrender – Compulsory 413560 (see note 11)	Endorsements 1-2 Conditions 3-6, 12-13, 15, 20-23 Tengraph interests 3-6	No registered Aboriginal Heritage sites 39.41% of this tenement falls within the Gnulli native title claim area (WC1997/028) 33.61% of this tenement falls within the Thudgari People native title determination area (WCD2009/002) 26.74% of this tenement falls within the Budina People native title determination area (WCD2017/006) 10.42% of this tenement is subject to the Wyamba Aboriginal Corporation & Lyndon Pastoral Lease ILUA (WI2010/015) 23.19% of this tenement is subject to the Wyamba Aboriginal Corporation & Middalya Pastoral Lease

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
										ILUA (WI2010/020) 5.35% of this tenement is subject to the Budina and Middalya Station Indigenous Land Use Agreement (WI2013/003) 21.39% of this tenement is subject to the Budina and Lyndon Station Indigenous Land Use Agreement (WI2013/004) 21.39% of this tenement is subject to the Budina and Lyndon ILUA (WI2017/019) 5.35% of this tenement is subject to the Budina and Middalya ILUA (WI2017/020)

Key to Tenement Schedule

E – Exploration Licence

M – Mining Lease

References to numbers in the “Notes” column refers to the notes following this table.

References to letters in the “Notes” column refers to the material contracts which are summarised in Part III of this Report.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Bidder's Statement.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

Notes:

Tenement endorsements

1.	The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2.	The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.

Tenement conditions

1.	Survey.
2.	Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which is likely to interfere with or damage any Aboriginal site.
3.	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
4.	All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
5.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration programme.
6.	Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface clearing or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
7.	No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.
8.	Mining on any road or road reserve being confined to below a depth of 15 metres from the natural surface.
9.	The complete excision of any portion encroaching on Exploration Licences 08/316-317.
10.	No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
11.	The complete excision of any portion encroaching on Exploration Licence 08/316.
12.	The licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
13.	The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:- <ul style="list-style-type: none"> • the grant of the Licence; or • registration of a transfer introducing a new Licensee; advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
14.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing mining on Protection of Vermin Proof Fence Reserve 16454 and Water Reserve 16512.
15.	Mining on a strip of land 30 metres wide with the Vermin Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.
16.	No interference with Geodetic Survey Stations Winning Pool 43 and KAP 12 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
17.	No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
18.	No interference with Geodetic Survey Stations A 42, A 43 and A 44 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

19.	<p>The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:</p> <ul style="list-style-type: none"> "Programme of Work on E08/1645 and E08/1646 for Energia Minerals Ltd" (Reg ID 29684) dated 2 February 2011 signed by Alex Aaltonen and retained on Department of Mines and Petroleum File No. EARS-POW-29684 <p>Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.</p>
20.	<p>The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.</p>
21.	<p>All topsoil and vegetation being removed ahead of all mining operations and being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses.</p>
22.	<p>The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing mining on Water Rabbit Department Reserves 16515, 16516, 16517, 16518 and Protection of Vermin Proof Fence Reserve 16454.</p>
23.	<p>The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:</p> <ul style="list-style-type: none"> "Programme of Work on E08/1645, E08/1646 and E09/1298 for Energia Minerals Limited" (Reg ID 28280) dated 13 September 2010 signed by Alex Aaltonen and retained on Department of Mines and Petroleum File No. T2398/200601; "Programme of Work on E08/1645 and E08/1646 for Energia Minerals Ltd" (Reg ID 29684) dated 2 February 2011 signed by Alex Aaltonen and retained on Department of Mines and Petroleum File No. EARS-POW-29684 <p>Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.</p>

Tengraph interests

	Land Type	Description
1.	Road Reserves	<p>Notes:</p> <ul style="list-style-type: none"> M08/86 M08/87 (No. 274) E08/1644 (No.8472) E08/1645 (No.8397 and No.8472)
2.	Historical Pastoral Lease	<p>The following Tenements overlap with historical leases:</p> <ul style="list-style-type: none"> M08/86 overlaps with: <ul style="list-style-type: none"> Historical Pastoral Lease 394 431 (49.67%) M08/87 overlaps with: <ul style="list-style-type: none"> Historical Pastoral Lease 394 431 (83.44%) M08/88 overlaps with: <ul style="list-style-type: none"> Historical Pastoral Lease 394 431 (100%) E08/1644 overlaps with: <ul style="list-style-type: none"> Historical Pastoral Lease 394 481 (8.67%) Historical Pastoral Lease 394 493 (0.08%) E08/1645 overlaps with: <ul style="list-style-type: none"> Historical Pastoral Lease 394 481 (56.94%)

	Land Type	Description
3.	Pastoral Lease	<p>All Western Australian pastoral leases expired on the 30 June 2015. These were originally issued under the now repealed Land Act 1933. All pastoral leases that met renewal conditions were renewed. Those that were not renewed became unallocated Crown land.</p> <p>Some pastoral leases were subject to exclusions. Under the 2015 exclusion process submissions were received from a number of State and local government agencies detailing areas earmarked for exclusion. These exclusion areas are set aside for "public purposes". The areas range from a few hectares to protect a heritage site, to much larger areas required to consolidate national parks and conservation areas.</p> <p>The exclusion areas transition to unallocated Crown land. They are then subject to clearances by various Government agencies before a suitable reservation or tenure is established and management arrangements formalised.</p> <p>A lease of Crown land has been granted under Section 114 of the Land Act 1933 (WA), which provides that any Crown land within the State which is not withdrawn from the selection for pastoral purposes, and which is not required to be reserved, may be leased for pastoral purposes.</p> <p>Refer to section 9 of this Report for information and details of the Tenements which overlap pastoral leases.</p>
4.	Aboriginal Heritage Survey	<p>Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and results are described in a Heritage Survey Report. The Department of Indigenous Affairs holds copies of these reports.</p> <p>A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on the type of survey undertaken and also when the original survey was undertaken. Not all Aboriginal sites within a survey area are necessarily recorded in the survey. The type of survey undertaken, such as site identification or Site Avoidance, is decided by the professional heritage consultant engaged by the proponent and depends upon the scope and nature of the project. What is appropriate for one project may not be for a different project.</p> <p>Notes:</p> <ul style="list-style-type: none"> • M08/86 is encroached by the following Aboriginal Heritage Surveys: <ul style="list-style-type: none"> ○ 102908 1 – 100% ○ 23656 1 – <0.01% • M08/87 is encroached by the following Aboriginal Heritage Surveys: <ul style="list-style-type: none"> ○ 102908 1 – 100% ○ 23656 1 – <0.01% • M08/88 is encroached by the following Aboriginal Heritage Surveys: <ul style="list-style-type: none"> ○ 102908 1 – 100% ○ 22546 1 – 62.49% ○ 23656 1 – <0.01% • E08/1645 is encroached by the following Aboriginal Heritage Surveys: <ul style="list-style-type: none"> ○ 102908 1 – 25.39% • E08/1646 is encroached by the following Aboriginal Heritage Surveys: <ul style="list-style-type: none"> ○ 102908 1 – 1.22%
5.	Groundwater Area	<p>The Tenement overlaps a Ground Water Area managed by the Department of Water and Environment Regulation (DWER).</p> <p>Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914. Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems.</p>

	Land Type	Description
		<p>The Rights in Water and Irrigation Act 1914 (WA) prohibits the abstraction of groundwater (water that occupies the pores and crevices of rock or soil) from a proclaimed groundwater area unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the DWER. Water licence allocations are aimed at ensuring equitable use of the state's water resources between licence holders and protecting the long-term security of the resources.</p> <p>The DWER has released guidelines to set out its regulatory requirements for mining projects. The approval requirements for a particular project will vary depending on the local water regime, the scale and the details of the proposed mining operation.</p>
6.	Surface Water Area	<p>The Rights in Water and Irrigation Act 1914 provides the Governor of Western Australia the power to proclaim, or prescribe through regulation, a Surface Water Area.</p> <p>A Surface Water Area is proclaimed for the purposes of regulating the taking of water from watercourses and wetlands. An area is proclaimed, or prescribed through regulations, where there is a need for systematic management of the use of water. The proclamation is made on the recommendation of the Department of Water and Environmental Regulation and must first be tabled before both Houses of Parliament.</p> <p>Proclaiming or prescribing an area has the effect of allowing the use of water for commercial activity under a licence. Where an area has been proclaimed, the provisions of Division 1B of Part III of the Act apply to surface water in that area.</p> <p>Surface Water Areas were identified on the following tenements:</p> <ul style="list-style-type: none"> • M08/86 – SWA 30, Pilbara (857.5862 HA, 100% encroachment) • M08/87 – SWA 30, Pilbara (250.5679 HA, 100% encroachment) • M08/88 – SWA 30, Pilbara (198.0981 HA, 100% encroachment) • E08/1644 – SWA 30, Pilbara (37821.5409 HA, 100% encroachment) • E08/1645 – SWA 30, Pilbara (37749.6779 HA, 100% encroachment) • E08/1646 – SWA 30, Pilbara (24809.5346 HA, 100% encroachment)
7.	Crown Reserve	<p>Under section 41 of the Land Administration Act 1997 the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (CLT) and is depicted on an authenticated map held by Landgate.</p> <p>Reservation action is normally initiated by the Department of Planning, Lands and Heritage following community or Government request, land planning decisions, or as a result of the subdivision of land.</p> <p>The Land Act 1933 provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue yet are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.</p> <p>Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.</p> <p>Crown Reserves are found on the following Tenements:</p> <ul style="list-style-type: none"> • E08/1644 <ul style="list-style-type: none"> ○ R 16454 – “C” Class Reserve Protection of Vermin Proof Fence (6.1805 HA, 0.02% encroachment) ○ R 16512 – “C” Class Reserve Water (260.236 HA, 0.69% encroachment) • E08/1644 <ul style="list-style-type: none"> ○ R 16512 – “C” Class Reserve Water (4.0481 HA, 0.01% encroachment)

	Land Type	Description
		<ul style="list-style-type: none"> o R 14396 – “C” Class Reserve Water (221.2284 HA, 0.59% encroachment) o R 16454 – “C” Class Reserve Protection of Vermin Proof Fence (13.1339 HA, 0.03% encroachment) o R 16513 – “C” Class Reserve Water Rabbit Department (303.7225 HA, 0.8% encroachment) o R 16514 – “C” Class Reserve Water Rabbit Department (272.4086 HA, 0.72% encroachment)

Registered dealings/encumbrances

1.	Agreement 154H/934 Agreement (Joint Venture) BERVEN & ASSOCIATES PTY LTD and PECHINEY (AUSTRALIA) EXPLORATION PTY LTD Lodged 9:30 AM on 03 Dec 1993 REGISTERED 9:30 AM 03 Dec 1993
2.	Agreement 155H/934 Agreement (Joint Venture) URANGESELLSCHAFT AUSTRALIA PTY LTD and MINATOME AUSTRALIA PTY LTD Lodged 9:30 AM on 03 Dec 1993 REGISTERED 9:30 AM 03 Dec 1993
3.	Agreement 156H/934 Agreement (Deed of Variation) URANGESELLSCHAFT AUSTRALIA PTY LTD, BERVEN & ASSOCIATES PTY LTD and MINATOME AUSTRALIA PTY LTD Lodged 9:30 AM on 03 Dec 1993 REGISTERED 9:30 AM 03 Dec 1993
4.	Agreement 157H/934 Agreement (Joint Venture) MINATOME AUSTRALIA PTY LTD, URANGESELLSCHAFT AUSTRALIA PTY LTD and AQUITAINE AUSTRALIA MINERALS PTY LTD Lodged 9:30 AM on 03 Dec 1993 REGISTERED 9:30 AM 03 Dec 1993
5.	Licence/Lease Instrument 318173 Lodged: 14:20 17 April 2009 ISSUED: 08:30 06 May 2009
6.	Partial Surrender - Voluntary 280341 Lodged 11:55:00 AM on 17 Dec 2007 Surrendered Blocks: HAMERSLEY RANGE 2530 x, y, z; HAMERSLEY RANGE 2602 c, d, e, h, j, k, n, o, p, s, t, u, x, y, z; HAMERSLEY RANGE 2674 c, d, e, h, j, k, n, o, p, s, t, u, x, y, z; HAMERSLEY RANGE 2746 c, d, e, h, j, k, n, o, p, s, t, u, x, y, z; HAMERSLEY RANGE 2818 c, d, e REGISTERED 11:55 AM 17 Dec 2007
7.	Partial Surrender - Compulsory 413558 Lodged: 11:55 19 December 2012 Section: Section 65 (3)

	<p>Surrendered Blocks: HAMERSLEY RANGE 2532 v, w, x HAMERSLEY RANGE 2604 a, b, c, f, g, h, l, m, n, q, r, s, y, z HAMERSLEY RANGE 2676 d, e, j, k, o, p, t, u, y, z HAMERSLEY RANGE 2748 d, e Surrendered Total: 29 BL. REGISTERED: Midnight 21 December 2012 Surrendered area to be released 08:30:00 31/01/2013 under Section 65 (3) Surrendered area released 08:30:00 31/01/2013 under Section 65 (3)</p>
8.	<p>Partial Surrender - Voluntary 280343 Lodged 11:55:00 AM on 17 Dec 2007 Surrendered Blocks: HAMERSLEY RANGE 2818 h, j, k, n, o, p, s, t, u, x, y, z; HAMERSLEY RANGE 2890 c, d, e, h, j, k, n, o, p, s, t, u, z; HAMERSLEY RANGE 2891 a, b, f, g, l, m, q, r, v, w; HAMERSLEY RANGE 2962 e, k, p; HAMERSLEY RANGE 2963 a, b, f, g, l, m, q, r, v, w; HAMERSLEY RANGE 3035 b REGISTERED 11:55 AM 17 Dec 2007</p>
9.	<p>Partial Surrender - Compulsory 413559 Lodged: 12:06:03 19 December 2012 Section: Section 65 (3) Surrendered Blocks: HAMERSLEY RANGE 2821 q, r, v, w HAMERSLEY RANGE 2891 h, n, s, x, y HAMERSLEY RANGE 2893 a, b, f, g, l, m, q, r, v, w HAMERSLEY RANGE 2963 c, d, h, j, n, o, s, t, x, y HAMERSLEY RANGE 3035 c, d Surrendered Total: 31 BL. REGISTERED: Midnight 21 December 2012 Surrendered area to be released 08:30:00 31/01/2013 under Section 65 (3) Surrendered area released 08:30:00 31/01/2013 under Section 65 (3)</p>
10.	<p>Partial Surrender - Voluntary 280342 Lodged 11:55:00 AM on 17 Dec 2007 Surrendered Blocks: HAMERSLEY RANGE 3035 g, n, o, p, s, t, u, y, z; HAMERSLEY RANGE 3107 d, e, j, k, o, p, t, u, y, z; HAMERSLEY RANGE 3108 v, w; HAMERSLEY RANGE 3179 d, e; HAMERSLEY</p>

	RANGE 3180 a, b, f, g, l, m, q, r, w, x, y, z; HAMERSLEY RANGE 3181 v, w; HAMERSLEY RANGE 3252 b, c, d, e, j, k; HAMERSLEY RANGE 3253 a, b, f, g REGISTERED 11:55 AM 17 Dec 2007
11.	Partial Surrender - Compulsory 413560 Lodged: 12:10:28 19 December 2012 Section: Section 65 (3) Surrendered Blocks: HAMERSLEY RANGE 3035 h, j HAMERSLEY RANGE 3180 h, n, s Surrendered Total: 5 BL. REGISTERED: Midnight 21 December 2012 Surrendered area to be released 08:30:00 31/01/2013 under Section 65 (3) Surrendered area released 08:30:00 31/01/2013 under Section 65 (3)

PART II – NATIVE TITLE CLAIMS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
WC1997/028	WAD6161/1998	Gwen Peck & Ors and State of Western Australia & Ors (Gnulli)	Yes	Unknown	Active

NATIVE TITLE DETERMINATIONS**Queensland**

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
QCD2011/007	QUD579/2005	Kalkadoon People #4	Yes	No	Active

Western Australia

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
WCD2017/006	WAD131/2004	Budina People	Yes	No	Active
WCD2009/002	WAD6212/1998	Thudgari People	Yes	No	Active
WCD2008/003	WAD6113/1998	Thalanyji	Yes	No	Active

ILUAs**Queensland**

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as Kalkadoon People/Xstrata ILUA that was registered on 12 June 2012. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Xstrata Queensland Limited. The ILUA applies to approximately 38,720km (sq) and is located in the vicinity of Mount Isa. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as Kalkadoon Post-Determination ILUA that was registered on 23 May 2014. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is State of Queensland. The ILUA applies to approximately 38,720km (sq) and is located in the vicinity of Mount Isa. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as KERG ILUA

that was registered on 17 May 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is State of Queensland. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as KALKADOON/MIM that was registered on 17 Mat 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is State of Queensland. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, MDL510 and MDL511 is subject to an ILUA designated as Kalkadoon and Indjilandji/Dithannoi Peoples Backlog Exploration Permit Project ILUA that was registered on 29 April 2004. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is State of Queensland. The ILUA applies to approximately 5,923km (sq) and is located in the vicinity of Mount Isa. The ILUA area falls within the Local Government Authority of the Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510 MDL511 and MDL513 is subject to an ILUA designated as Kalkadoon People and Ergon Energy ILUA that was registered on 28 November 2011. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Ergon Energy Corporation Limited. The ILUA applies to approximately 38,700km (sq) and is located in the vicinity of Mount Isa. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as Kalkadoon Pre-Determination ILUA that was registered on 17 May 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is State of Queensland. The ILUA applies to approximately 38,700km (sq) and extends from approximately 200km north of Mount Isa to approximately 150km south of Mount Isa. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17513, EPM17514, EPM17519, EPM12572, MDL507, MDL508, MDL509, MDL510, MDL511 and MDL513 is subject to an ILUA designated as Kalkadoon Local Government ILUA that was registered on 17 May 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council. The ILUA applies to approximately 38,720km (sq) and is located in

the vicinity of Mount Isa. The ILUA area falls within the Local Government Authorities of the Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.

The land under tenements EPM17514, MDL510 and MDL513 is subject to an ILUA designated as Kalkadoon People/May Downs (aka Meltham) ILUA that was registered on 17 May 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are James Lyne Lord and Marjorie Annette Lord. The ILUA applies to approximately 1,130km (sq) and is located approximately 7 km west of Mount Isa. The ILUA area falls within the Local Government Authority of Mount Isa City Council.

The land under tenement MDL509 is subject to an ILUA designated as Kalkadoon People/Heywood and Murrumba ILUA that was registered on 17 May 2002. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Argylla Mountains Pastoral Pty Ltd. The ILUA applies to approximately 1,070km (sq) and is located east of Mount Isa. The ILUA area falls within the Local Government Authorities of Mount Isa City Council and Cloncurry Shire Council.

TENEMENT NUMBER	TRIBUNAL NUMBER	NAME	ILUA TYPE	REGISTRATION DATE	APPLICANT
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2012/042	Kalkadoon People/Xstrata ILUA	Area Agreement	12/06/2012	Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2013/088	Kalkadoon Post-Determination ILUA	Area Agreement	23/05/2014	State of Queensland
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2001/007	KERG ILUA	Area Agreement	17/05/2002	State of Queensland
EPM17513	QI2001/046	KALKADOON/MIM	Area Agreement	17/05/2002	State of Queensland

TENEMENT NUMBER	TRIBUNAL NUMBER	NAME	ILUA TYPE	REGISTRATION DATE	APPLICANT
EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513					
EPM17513 EPM17514 MDL510 MDL511	QI2003/029	Kalkadoon and Indjilandji/Dithann oi Peoples Backlog Exploration Permit Project ILUA	Area Agreement	29/04/2004	State of Queensland
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2011/030	Kalkadoon People and Ergon Energy ILUA	Area Agreement	28/11/2011	Ergon Energy Corporation Limited
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2012/026	Kalkadoon Pre-Determination ILUA	Area Agreement	17/05/2002	State of Queensland
EPM17513 EPM17514 EPM17519 EPM12572 MDL507 MDL508 MDL509 MDL510 MDL511 MDL513	QI2012/038	Kalkadoon Local Government ILUA	Area Agreement	31/05/2012	Boulia Shire Council, Burke Shire Council, Carpentaria Shire Council, Cloncurry Shire Council, McKinlay Shire Council and Mount Isa City Council.
EPM17514 MDL510 MDL513	QI2012/007	Kalkadoon People/May Downs (aka Meltham) ILUA	Area Agreement	17/05/2012	James Lyne Lord and Marjorie Annette Lord
MDL509	QI2012/021	Kalkadoon People/Heywood and Murrumba ILUA	Area Agreement	17/05/2012	Argylla Mountains Pastoral Pty Ltd

Western Australia

The land under tenements E08/1645 and E08/1646 is subject to an ILUA designated as Budina and Lyndon ILUA that was registered on 3 May 2018. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Lyndon Pastoral Pty Ltd. The ILUA applies to approximately 1,835 km (sq) and is located about 215km north-east of Carnarvon. The ILUA area falls within the Local Government Authority of the Shire of Carnarvon.

The land under tenements E08/1645 and E08/1646 is subject to an ILUA designated as Budina and Lyndon Station Indigenous Land Use Agreement that was registered on 11 October 2013. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lynden on behalf of the Budina People. The ILUA applies to approximately 1,649 km (sq) and is located approximately 105km north-east of Minilya Roadhouse. The ILUA area falls within the Local Government Authority of the Shire of Carnarvon.

The land under tenement E08/1645 is subject to an ILUA designated as Budina and Towera Station Indigenous Land Use Agreement that was registered on 11 October 2013. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lynden on behalf of the Budina People. The ILUA applies to approximately 1,571 km (sq) and is located approximately 109km north-east of Minilya Roadhouse. The ILUA area falls within the Local Government Authority of the Shire of Ashburton.

The land under tenement E08/1645 is subject to an ILUA designated as Budina and Towera ILUA that was registered on 3 May 2018. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Pindarra Pastoral Pty Ltd. The ILUA applies to approximately 1,720 km (sq) and is located approximately 241km north-east of Carnarvon. The ILUA area falls within the Local Government Authority of the Shire of Ashburton.

The land under tenement E08/1646 is subject to an ILUA designated as Wyamba Aboriginal Corporation & Lyndon Pastoral Lease ILUA that was registered on 10 September 2010. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Lyndon Station Pty Ltd. The ILUA area falls within the Local Government Authorities of the Shire of Ashburton and the Shire of Carnarvon.

The land under tenement E08/1646 is subject to an ILUA designated as Wyamba Aboriginal Corporation & Middalya Pastoral Lease ILUA that was registered on 10 September 2010. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Three Corners Properties Pty Ltd. The ILUA area falls within the Local Government Authority of the Shire of Carnarvon.

The land under tenement E08/1646 is subject to an ILUA designated as Budina and Middalya Station Indigenous Land Use Agreement that was registered on 11 October

2013. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicants are Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lyndon on behalf of the Budina People. The ILUA area falls within the Local Government Authority of the Shire of Carnarvon.

The land under tenement E08/1646 is subject to an ILUA designated as Budina and Middalya ILUA that was registered on 3 May 2018. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Three Corners Properties Pty Ltd. The ILUA applies to approximately 20 km (sq) and is located approximately 230km north-east of Carnarvon. The ILUA area falls within the Local Government Authority of the Shire of Carnarvon.

The land under tenements M08/86, M08/87 and M08/88 is subject to an ILUA designated as Thalanyji and Minderoo Pastoral ILUA that was registered on 7 January 2010. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Murion Cattle Company Pty Ltd of Minderoo Station. The ILUA area falls within the Local Government Authority of the Shire of Ashburton.

The land under tenements M08/86 and M08/87 is subject to an ILUA designated as Thalanyji and Yanrey Pastoral ILUA that was registered on 7 January 2010. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Kimberley Thomas de Pledge. The ILUA area falls within the Local Government Authority of the Shire of Ashburton.

The land under tenements M08/86, M08/87 and M08/88 is subject to an ILUA designated as Macedon ILUA that was registered on 17 January 2011. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is BHP Billiton Petroleum Pty Ltd. The ILUA applies to approximately 11,000 km (sq) and is located in the area surrounding Onslow. The ILUA area falls within the Local Government Authorities of the Shire of Ashburton and the Shire of Exmouth.

TENEMENT NUMBER	TRIBUNAL NUMBER	NAME	ILUA TYPE	REGISTRATION DATE	APPLICANT
E08/1645 E08/1646	WI2013/004	Budina and Lyndon Station Indigenous Land Use Agreement	Area Agreement	11/10/2013	Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lyndon on behalf of the Budina People
E08/1645	WI2013/005	Budina and Towera Station Indigenous Land Use Agreement	Area Agreement	11/10/2013	Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lyndon on behalf of the Budina People
E08/1645 E08/1646	WI2017/019	Budina and Lyndon ILUA	Body Corporate	03/05/2018	Lyndon Pastoral Pty Ltd
E08/1645	WI2017/021	Budina and Towera ILUA	Body Corporate	03/05/2018	Pindarra Pastoral Pty Ltd
E08/1646	WI2010/015	Wyamba Aboriginal Corporation & Lyndon Pastoral Lease ILUA	Body Corporate	10/09/2010	Lyndon Station Pty Ltd

TENEMENT NUMBER	TRIBUNAL NUMBER	NAME	ILUA TYPE	REGISTRATION DATE	APPLICANT
E08/1646	WI2010/020	Wyamba Aboriginal Corporation & Middalya Pastoral Lease ILUA	Body Corporate	10/09/2010	Three Corners Properties Pty Ltd
E08/1646	WI2013/003	Budina and Middalya Station Indigenous Land Use Agreement	Area Agreement	11/10/2013	Lorna Corbett, Cyril Hayes, Clive Lyndon and Ruben Lyndon on behalf of the Budina People
E08/1646	WI2017/020	Budina and Middalya ILUA	Body Corporate	03/05/2018	Three Corners Properties Pty Ltd
M08/86 M08/87 M08/88	WI2009/024	Thalanyji and Minderoo Pastoral ILUA	Body Corporate	07/01/2010	Murion Cattle Company Pty Ltd of Minderoo Station
M08/86 M08/87	WI2009/026	Thalanyji and Yanrey Pastoral ILUA	Body Corporate	07/01/2010	Kimberley Thomas de Pledge
M08/86 M08/87 M08/88	WI2010/023	Macedon ILUA	Body Corporate	17/01/2011	BHP Billiton Petroleum Pty Ltd

HERITAGE & COMPENSATION AGREEMENTS

None

ABORIGINAL HERITAGE SITES – QUEENSLAND

Our searches returned one registered Aboriginal Heritage Site over the EPM17513.

Our searches returned 13 registered Aboriginal Heritage Sites over the EPM17514.

Our searches returned 2 registered Aboriginal Heritage Sites over the EPM17519.

Our searches returned 15 registered Aboriginal Heritage Sites over the EPM12572.

Our searches returned 4 registered Aboriginal Heritage Sites over the MDL507.

Our searches returned 7 registered Aboriginal Heritage Sites over the MDL513.

ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

Our searches returned 2 registered Aboriginal Heritage Sites over the E08/1645.

Our searches returned 2 registered Aboriginal Heritage Sites over the M08/86.

PART III – MATERIAL CONTRACT SUMMARIES

Below is a summary of the material contracts relevant to the Tenements. Note that only material terms with respect to any interests, rights or encumbrances are set out in the summaries below.

1. MANYINGEE URANIUM PROJECT

1.1 Manyingee/Onslow Sale Agreement as restated at 10 June 1999

Under this agreement, Paladin Energy Minerals NL (ACN 073 700 393) (**Paladin Energy**) agreed to acquire 92.325% interest in mining leases ML08/86, ML08/87 and ML08/88 located in Western Australia from Afmeco Mining and Exploration Pty Ltd (ACN 009 758 481) (**Afmeco**). Paladin Resources NL (ACN 061 681 098) (**Paladin Resources**) has agreed to guarantee Palading Energy's obligations under this agreement.

The material continuing terms of this agreement as follows:

- (a) (**Royalty**): as part of the consideration payable for these tenements, Afmeco would receive a royalty in accordance with the terms of the Royalty Deed in Relation to 93.325% dated 10 June 1999 (summarised in Section 1.3 of this Part III below) (**Royalty Deed**).

The royalty is payable annually commencing at the end of the first year of production.

- (b) (**Royalty Prepayment**): On receipt of WA State Government approval to commence production, Paladin Energy must pay to Afmeco \$692,437 as a prepayment of the royalty on future production. This payment is in addition to any payments that may become due pursuant to the Royalty Deed.

1.2 Royalty Deed in relation to 92.325% interest

- (a) (**Calculation**): The royalty referred to above is payable in relation to ore concentrates or other primary, intermediate or final products or any other mineral substances produced on or from the relevant tenements. The royalty is calculated as follows:

- (i) on the proceeds of the sale of the first 2000 tonnes of U₃O₈ produced:

$$\text{Royalty} = 2.29729 \times \text{TSR}; \text{ and}$$

- (ii) on the proceeds of the sale of the next 2000 tonnes of U₃O₈ produced:

$$\text{Royalty} = 1.252938 \times \text{TSR},$$

where

TSR = the total sales return generated from the sale of any products, where the total sales return means the total amount received by the project owner from the sale of the product at the point of sale.

- (b) **(Term)**: The royalty is payable annually up until 4000 tonnes of U₃O₈ have been produced and sold.

1.3 Royalty Deed in relation to 9.201%

Under the Manyingee/Onslow Sale Agreement, Paladin Energy has agreed to pay Triako Resources Limited (ACN 008 489 119) (**Triako**) a royalty on the terms and conditions contained the royalty deed in relation to 9.201% dated 10 June 1999 (**Triako Royalty Deed**).

- (a) **(Commencement of Royalty)**: Under the Triako Royalty Deed, Triako is entitled to a royalty from the commencement of commercial production on the relevant tenements.
- (b) **(Calculation)**: The royalty is payable in relation to ore concentrates or other primary, intermediate or final products or any other mineral substances produced on or from the Mining Tenements. The royalty is calculated as follows:

- (i) Royalty = 0.092010 x TSR; and

where,

TSR = the total sales return generated from the sale of any products, where the total sales return means the total amount received by the project owner from the sale of the product at the point of sale.

- (c) **(Term)**: The royalty is payable annually for so long as commercial production continues on the relevant tenements.

2. ISA URANIUM JOINT VENTURE AGREEMENT

A joint venture agreement was entered into between Summit Resources (Aust) Pty Ltd (ACN 009 188 078) (**Summit AU**) and Resolute Limited (ACN 097 088 689) (**Resolute**) on 12 January 2001 (**Isa Uranium Joint Venture Agreement**). Resolute's interest in the joint venture has been subsequently assigned to Vahalla Uranium Pty Ltd (**Valhalla**), a wholly owned subsidiary of Paladin.

Under this agreement, the parties have established a 50/50 joint venture (**Joint Venture**) in respect of MDL 510, EPM17514 and MDL513, Queensland Tenements which are held in the name of Summit AU. Summit AU is the manager of the Joint Venture.

3. ISA NORTH MINING RIGHTS AGREEMENT

On 27 October 2008, Summit entered into a mineral rights agreement with Aston Metals Limited (**Aston**) to enable Aston to explore for, and potentially recover, base metals on certain areas within Summit's Isa North tenements and have earned an 80% interest in base metals rights within these certain areas. We understand that Aston subsequently went into receivership and its north Queensland assets were purchased by Aeon Metals Limited (**AQR**). These Isa North rights have now been transferred to AQR which does not gain any rights to uranium but will inform Summit should it become aware of any uranium mineralisation in the course of its activities.

Summit has a 20% free carried interest in any non-uranium metals through to a decision to mine.