

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Egan Street Resources Limited

ACN/ARSN 144 766 236

1. Details of substantial holder (1)

Name Silver Lake Resources Limited

ACN/ARSN (if applicable) 108 779 782

The holder became a substantial holder on 29/07/2019

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares in Egan Street Resources Limited (Egan Street Shares)	21,457,338,	21,457,338	16.45% (based on 130,453,719 Egan Street Shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Silver Lake Resources Limited	Silver Lake has a relevant interest under section 608 (1) (c) pursuant to the Pre-Bid Acceptance Deed dated 29 July 2019 between Silver Lake Resources Limited and Lion Selection Group Limited ACN 077 729 572 (Pre-Bid Acceptance Deed), a copy of which is attached to this notice as Annexure A	21,137,007
Silver Lake Resources Limited	Registered holder	320,331

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Silver Lake Resources Limited	Lion Selection Group Limited	Silver Lake Resources Limited or a subsidiary of Silver Lake Resources Limited may become entitled to be registered as holder of the shares pursuant to the Pre-Bid Acceptance Deed.	21,137,007
Silver Lake Resources Limited	Silver Lake Resources Limited	Silver Lake Resources Limited	320,331

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Silver Lake Resources Limited	29/07/19	As specified in the Pre-Bid Acceptance Deed		21,137,007 Egan Street Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Each of the Silver Lake Resources Limited Group Entities	Each of the Silver Lake Group Entities is a body corporate that is controlled by Silver Lake Resources Limited.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Silver Lake Resources Limited	Suite 4, Level 3, South Shore Centre, 85 South Perth Esplanade, South Perth, Western Australia 6151.
Lion Selection Group Limited	Level 2, 175-177 Flinders Lane, Melbourne, Victoria, 3000

Signature

print name David Berg

capacity Secretary

sign here



date 30/07/2019

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 18 pages (not including this cover page) referred to in the Form 603 (Notice of Initial Substantial Holder) dated 30 July 2019 given by Silver Lake Resources Ltd ACN 108 779 782



David Berg
Company Secretary, Silver Lake Resources Ltd

Date: 30 July 2019



HopgoodGanim

Pre-Bid Acceptance Deed

Lion Selection Group Limited ACN 077 729 572 (**Shareholder**)

Silver Lake Resources Limited ACN 108 779 782 (**Silver Lake or Bidder**)

PERTH

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Pre-Bid Acceptance Deed



Date 29 JULY 2019

Parties

Lion Selection Group Limited ACN 077 729 572 care of Level 2, 175-177 Flinders Lane Melbourne, Victoria 3000 (**Shareholder**)

Silver Lake Resources Limited ACN 108 779 782 care of Level 3, South Shore Centre, 85 South Perth Esplanade, South Perth Western Australia 6151 (**Silver Lake or Bidder**)

Background

- A. Silver Lake wishes to make a Takeover Bid for all of the Shares in the Target upon the terms of the Offer.
- B. The Shareholder holds the Relevant Shares.
- C. In consideration of Silver Lake making the Takeover Bid, the Shareholder will accept the Offer for its Relevant Shares subject to the terms of this deed.

This deed witnesses as follows

1. Definitions and interpretation

1.1 Definitions

In this deed:

Associate has the meaning given to that term in the Corporations Act.

ASX means the Australian Securities Exchange.

Bidder Group means the Bidder and its Subsidiaries.

Bidder Shares means fully paid ordinary shares in the capital of the Bidder.

Business Day means:

- (a) if determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Competing Offer means a takeover bid or scheme of arrangement in accordance with the Corporations Act that is publicly announced and made by a Third Party pursuant to which all of Target Shares will be acquired at a price or value which is higher than the price or value being proposed to be paid under the Takeover Bid and on conditions no less favourable to Target Shareholders than under the Takeover Bid.

Conditions Precedent means the conditions in clause 3.

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

Excluded Shares means all Target Shares (other than the Relevant Shares, if any) held by the Shareholder and their Associates.

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Matching Proposal means a proposal announced by the Bidder that results in an increase in the price or value under the Offer to at least match that higher price or value of the Competing Offer.

Matching Proposal Date means 10 Business Days after the Shareholder's obligations under clause 4 have been suspended pursuant to clause 5.1(a).

Measurement Date means the date the Competing Offer is announced by the Target or the Third Party on the ASX.

Offer means the Takeover Bid to be made on the terms in Schedule 1.

Offer Period means the period during which the Offer is capable of being accepted by Target Shareholders.

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

Relevant Interest has the meaning given to that term in the Corporations Act.

Relevant Shares means 21,137,007 Target Shares registered in the name of the Shareholder.

Shares or Target Shares means fully paid ordinary shares in the capital of the Target.

Shareholder means Lion Selection Group Limited ACN 077 729 572.

Subsidiary has the meaning given to that term in the Corporations Act.

Takeover Bid means an off-market takeover offer by Silver Lake for all of the Target Shares on the terms in Schedule 1.

Target means Egan Street Resources Limited ACN 144 766 236.

Target Group means the Target and its Subsidiaries.

Target Shareholder means a registered holder of Target Shares.

Third Party means a person other than an entity within the Bidder Group.

1.2 Interpretation

Unless the contrary intention appears, a reference in this deed to:

- (a) this deed or another document includes any variation or replacement of it despite any change in the identity of the parties;
- (b) one gender includes the others;
- (c) the singular includes the plural and the plural includes the singular;
- (d) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
- (e) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this deed and a reference to this deed includes any schedule or attachment;
- (f) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;

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- (g) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
- (h) money is to Australian dollars, unless otherwise stated;
- (i) a time is a reference to Perth time unless otherwise specified;
- (j) the words include, including, such as, for example and similar expressions are not to be construed as words of limitation;
- (k) where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning;
- (l) headings and any table of contents or index are for convenience only and do not affect the interpretation of this deed; and
- (m) a provision of this deed must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this deed or the inclusion of the provision in this deed.

1.3 Business Days

- (a) If anything under this deed must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00 pm on that day or it will be considered to have been done on the following day.

2. Acceptance of takeover bid

In consideration of the mutual promises contained in this deed, the Shareholder agrees with Silver Lake that it will accept the Takeover Bid in respect of its Relevant Shares on the terms out in this deed.

3. Conditions Precedent

The Shareholder acknowledges and agrees that it will accept the Takeover Bid in respect of its Relevant Shares in accordance with clause 4:

- (a) if Silver Lake announces within 2 Business Days after the date of this deed, that it will make a Takeover Bid for all of the Target Shares on the terms of the Offer or substantially upon the terms of the Offer (provided that in the latter case the consideration payable under the Takeover Bid must be as set out in the Offer); and
- (b) if Silver Lake despatches, within two months after the date of the announcement referred to in clause 3(a) above, a bidder's statement in respect of the Takeover Bid for the Target under the Corporations Act including the terms of the Offer.

4. Acceptance

Subject to satisfaction of the Conditions Precedent, the Shareholder must accept or cause acceptance of the Takeover Bid in respect of the Relevant Shares by delivering a duly completed acceptance form for its Relevant Shares to Silver Lake by no later than 10.00am (Perth time) on the fifth Business Day of the Offer Period and the Shareholder must do anything else reasonably required by Silver Lake to accept the Takeover Bid in accordance with the Offer.



5. Matching a higher offer

5.1 Suspension, matching right and termination

- (a) The Shareholder's rights and obligations under clause 4 above will be suspended if a Competing Offer is publicly announced by the Target or a Third Party.
- (b) If:
 - (1) the Shareholder's rights and obligations under clause 4 have been suspended pursuant to clause 5.1(a) above; and
 - (2) the Bidder announces a Matching Proposal on or before the Matching Proposal Date,

the Shareholder must accept the Takeover Bid as varied by the Matching Proposal in accordance with its obligations and subject to its rights under clause 4.

- (c) For the avoidance of doubt, the regime contemplated in clause 5.1(b) above is to repeat and be re-applied in the case of a Competing Offer that is announced after each Matching Proposal.

- (d) If:
 - (1) the Shareholder's rights and obligations under clause 4 are suspended in accordance with clause 5.1(a); and
 - (2) the Bidder does not announce a Matching Proposal on or before the Matching Proposal Date;

the Shareholder may terminate this deed.

5.2 Application and interpretation

For the purposes of paragraph 5.1:

- (a) in assessing the price or value of a Competing Offer, if the initial offer consideration will be increased to a higher amount if a specified event occurs, then the Competing Offer is to be regarded as being at that higher price only after the contingency occurs and will be regarded as being at the initial offer consideration until that time;
- (b) amounts of cash consideration that are expressed in a currency other than Australian dollars are to be converted to Australian dollars using the average of the applicable wholesale market open and close spot rates for the relevant exchange rates as published in the Australian Financial Review on the Measurement Date;
- (c) the value of any securities which are offered under a Competing Offer will be the volume weighted average sale price for those securities on the ASX or such other main exchange on which those securities are traded, converted to Australian dollars in accordance with the method set out in clause 5.2(b) above over the 30 trading day period ending on the last trading date before the Measurement Date; and
- (d) the value of any non-cash consideration, other than that of the kind mentioned in clause 5.2(c) above, offered under a Competing Offer will be assessed by an independent expert appointed by the Bidder to make a determination within 2 Business Days after the date of appointment.



6. Other conduct

- (a) For so long as this deed remains in force:
 - (1) the Shareholder will not dispose of, agree to or offer to dispose of or encumber any of its Relevant Shares (or any interest in them), except pursuant to an acceptance of the Offer;
 - (2) the Shareholder will not enter into any discussions or negotiations relating to any possible disposal of its Relevant Shares;
 - (3) the Shareholder will not make, propose or announce a takeover bid for the Target or propose or announce any other merger or scheme of arrangement involving the Target;
 - (4) the Shareholder will not assist any other person to make, propose or announce a takeover bid for the Target or any other merger or scheme of arrangement involving the Target; and
 - (5) the Shareholder will not take any action or make any statement which is or may be prejudicial to the success of the Takeover Bid or the Offer.
- (b) The Shareholder consents to the inclusion of references to their name and the subject matter of this deed in any public announcement by Silver Lake in relation to the Offer or to any references or statements required in a bidder's statement issued in connection with the Offer subject to first being provided with a copy of such reference or statement and Silver Lake acting reasonably and in good faith to adopt amendments suggested by the Shareholder (if any, and on the basis the Shareholder acts reasonably and in good faith), and, subject to the foregoing, agrees to promptly take any action and provide any formal consent as may be reasonably required by Silver Lake to give effect to this provision.
- (c) The Shareholder acknowledges that the Offer will be made subject to defeating bid conditions (as substantially set out in Schedule 1) and acknowledges and agrees that Silver Lake has the right, subject to the Corporations Act and the Offer, to delete, waive or vary any condition in any Offer, declare any Offer unconditional or extend the Offer at any time, save that the Bidder undertakes not to waive the minimum relevant interest condition in clause 6.1 of Schedule 1 unless and until the Bidder and its Related Bodies Corporate together have Relevant Interests (inclusive of the Relevant Shares) in at least 38% of all the Target Shares (**Minimum Interest Commitment**), unless the Shareholder waives the Minimum Interest Commitment contained in this clause.
- (d) The Shareholder must not withdraw their acceptance of the Offer in respect of its Relevant Shares (including in circumstances where it has a right of withdrawal under section 650E of the Corporations Act).
- (e) Nothing in this deed will be taken to restrict the ability of the Shareholder to exercise votes attaching to any of its Relevant Shares in that Shareholder's absolute discretion, other than after acceptance of the Offer.

7. Confidentiality

- (a) The Shareholder agrees to keep this deed confidential except for any obligations it may have under the ASX Listing Rules or the Corporations Act or as required by any other regulator and in any agreed disclosure.
- (b) The Shareholder acknowledges that Silver Lake will lodge with ASX an ASIC Form 603 in relation to it becoming a substantial shareholder in the Target together with a copy of

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this deed in relation to the Relevant Shares within 2 Business Days after execution of this deed by the parties.

8. Warranties and Acknowledgement

- (a) The Shareholder represents and warrants that it is the legal and full beneficial owner of its Relevant Shares free of encumbrances, with full power and authority to enter into and complete this deed without the consent of any other person.
- (b) The Shareholder acknowledges that nothing in this document obliges Silver Lake to make the Takeover Bid.
- (c) The parties acknowledge that to avoid any doubt the Shareholder:
 - (1) may deal with the Excluded Shares (if any) as it sees fit, with no restriction arising as a result of this deed;
 - (2) is not obliged, and has not agreed, to accept the Takeover Bid in respect of the Excluded Shares (if any).

9. Expiry and Termination

This deed will expire and automatically terminate without any further action on the part of any party and there will be no continuing rights or obligations of any party:

- (a) if either of the conditions precedent in clause 3 is not satisfied (or waived by the Shareholder, such waiver to be at the absolute discretion of the Shareholder);
- (b) if the Takeover Offer lapses;
- (c) upon the Shareholder's election under clause 5.1(d);
- (d) if a Court or the Takeovers Panel decides that all or any part of the transactions contemplated by this deed constitute unacceptable circumstances; or
- (e) if Silver Lake does not comply with any of the provisions of the Corporations Act which are applicable to the Takeover Bid.

10. Notices

10.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 10.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by a duly authorised officer of the sender.

10.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;

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- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail;
- (d) sent by facsimile to the party's current numbers for service; or
- (e) sent by electronic mail to the party's electronic mail address.

10.3 Time

If a notice is sent or delivered in the manner provided in clause 10.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
 - (1) in Australia to an Australian address, the second Business Day after posting; or
 - (2) in any other case, on the tenth Business day after posting;
- (c) facsimile, when a transmission report being printed by the sender's facsimile machine stating that the document has been sent to the recipient's facsimile number; or
- (d) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00 pm on a Business Day it must be treated as received on the next Business Day in that place.

10.4 Initial details

The addresses and numbers for service are initially:

Silver Lake

Address: Suite 4, Level 3, South Shore Centre, 85 South Perth Esplanade,
South Perth WA 6151

Electronic Mail: ltonkin@silverlakeresources.com.au

Attention: Luke Tonkin

Shareholder

Address: Level 2, 175-177 Flinders Lane Melbourne, Victoria 3000

Electronic Mail: csmyth@lsg.com.au

Attention: Craig Smyth

10.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.



11. Governing law and jurisdiction

11.1 Governing law

This deed is governed by and construed in accordance with the laws of Western Australia.

11.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 11.2(a).

12. Miscellaneous

12.1 Exercise rights

A single or partial exercise or waiver by a party of any right under or relating to this deed will not prevent any other exercise of that right or the exercise of any other right.

12.2 Legal effect

Each party acknowledges and agrees for the benefit of each other party that this document is intended to take effect as a deed. Each party executes this document with the intention that it will be immediately legally bound by this document despite the existence of, but subject to, the Conditions Precedent contained in clause 3. To avoid any doubt, there will be no need for further delivery of this document following the satisfaction of the Conditions Precedent contained in clause 3.

12.3 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

12.4 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

12.5 No assignment

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party.

12.6 Remedies cumulative

The rights and remedies under this deed are cumulative and not exclusive of any rights or remedies provided by law.

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12.7 Severability

If a provision of this deed is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

12.8 Further assurance

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this deed and the transactions contemplated by it.

12.9 Costs

Each party is responsible for all its own costs (including legal costs) incurred in the negotiation of, and the performance of, this deed.

12.10 Time

- (a) Time is of the essence of this deed.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed.
- (c) An agreement to vary a time requirement must be in writing.

12.11 Variation

An amendment or variation to this deed is not effective unless it is in writing and signed by the parties.

12.12 Waiver

- (a) A party's waiver of a right under or relating to this deed, whether prospectively or retrospectively is not effective unless it is in writing and signed by that party.
- (b) No other act, omission or delay by a party will constitute a waiver of a right.

12.13 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
 - (b) emailing a pdf (portable document format) copy of,
- the executed counterpart to that other party.



Schedule 1 - Offer

1. **Offer for Target Shares**

The Bidder will make an offer to acquire 100% of the Target Shares that it does not already own.

2. **Offer price**

0.27 Bidder Shares for every 1.00 Target Share.

3. **Offer Period**

The Offer will remain open for an initial period of one month, and may be extended on one or more occasion by the Bidder in accordance with the Corporations Act.

4. **Target Shares issued upon exercise of Options**

The Offer will extend to Target Shares that are issued prior to the end of the Offer Period upon the exercise of Target Options.

5. **Target Shares issued upon exercise of Target Performance Rights**

The Offer will extend to Target Shares that are issued prior to the end of the Offer Period upon the vesting and exercise of Target Performance Rights.

6. **Bid Conditions**

The Offer for Target Shares and any contract that results from acceptance of the Offer for Target Shares are subject to the fulfillment of the following conditions (Note: Terms used in this Schedule 1 have the meanings given at the end of this Schedule 1):

6.1 **Minimum relevant interest**

At or before the end of the Offer Period, the Bidder and its Related Bodies Corporate together have Relevant Interests in at least 90% of all the Target Shares.

6.2 **No regulatory action**

Between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is commenced by any Public Authority; and
- (c) no application is made to any Public Authority (other than by the Bidder or any of its Related Bodies Corporate),

(other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Target Shares under the Offer or any transaction contemplated by the Bidder's Statement, the Offer or the rights of the Bidder in respect of the Target, or requires the divestiture by any entity within the Bidder Group of any Target Shares, or requires the divestiture of any assets of the Bidder Group or Target Group.

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6.3 No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive), no act, omission, event, change, matter, circumstance or condition occurs, is announced or becomes known to the Bidder (whether or not it becomes public) where (whether individually or aggregated with other acts, omissions, events, changes, matters, circumstances) has or has resulted in, or could reasonably be expected to have or result in:

- (a) a material adverse effect on:
 - (1) the assets, financial or trading position, profitability or prospects of the Target Group, taken as a whole; or
 - (2) the status or terms of any material approvals, licences, tenements or permits issued by any Public Authority to any entity within the Target Group,

other than changes, events or conditions:

- (3) required or permitted by the Bid Implementation Deed, the Offer or the transactions contemplated by them;
- (4) fully and Fairly Disclosed by the Target in an ASX announcement or otherwise to the Bidder in writing prior to execution of the Bid Implementation Deed;
- (5) which do not relate specifically to the Target Group and which are beyond the control of Target and which arise from:
 - (A) changes in commodity prices, exchange rates or interest rates; or
 - (B) general economic, political or business conditions; or
 - (C) changes in laws, regulations and standards (including accounting standards); or
- (6) which took place with the prior written consent of the Bidder.

6.4 No material acquisitions, disposals or new commitments

Between the Announcement Date and the end of the Offer Period (each inclusive), neither the Target nor any Subsidiary of the Target, other than with the prior written consent of the Bidder:

- (a) acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than the Specified Amount;
- (b) disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than the Specified Amount;
- (c) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (1) requires payments, expenditure or the foregoing of revenue by the Target and/or any of its Subsidiaries of an amount in excess of A\$150,000 on any individual basis or which is, in aggregate, greater than the Specified Amount; or
 - (2) is material in the context of the Target Group and is not in the ordinary course of business;

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- (d) enters into or agrees to enter into, terminates or agrees to terminate a contract, commitment or arrangement for the provision of services or a licence to a third party that is a new or existing customer that results in the Target and/or any of its Subsidiaries incurring costs greater than A\$150,000 on an individual basis or is, in aggregate, greater than the Specified Amount for the entire term of such contract, commitment or arrangement;
- (e) provides or agrees to provide financial accommodation or a guarantee, other than to entities within the Target Group for any amount, or receives financial accommodation other than from entities within the Target Group for any amount;
- (f) enters into, amends, or agrees to enter into or amend any material contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of the Target;
- (g) incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve the Target or a Subsidiary incurring or agreeing to incur an amount of capital expenditure in excess of the Specified Amount, other than capital expenditure that has been announced by the Target to ASX prior to the Announcement Date;
- (h) gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (i) does any of the following in respect of the Tenements:
 - (1) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, marketing, or off-take agreement) in relation to any of the Tenements;
 - (2) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Tenements;
 - (3) takes any action or omits to take any action that results in or may reasonably be expected to result in a breach of the terms any of the Tenements or any environmental authority relating to any of the Tenements; or
 - (4) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any environmental authority relating to any of the Tenements; or
- (j) without limiting sub-paragraphs (a) to (i) above:
 - (1) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or
 - (2) is otherwise affected by any transaction or proposal,

under which any third party would acquire any legal or economic interest in, or there would be any material diminution in, the rights granted under any tenement held by any entity within the Target Group,
- (k) announces an intention to do any of the matters referred to in sub-paragraphs (a) to (i) above,

other than:
 - (l) where required or permitted by the Bid Implementation Deed; or

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- (m) as fully and Fairly Disclosed by the Target in an ASX announcement or to the Bidder in writing prior to execution of the Bid Implementation Deed.

6.5 No change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no person has or will have any right as a result of the Bidder making the Offer or announcing its intention to make the Offer, or acquiring Target Shares under the Offer, to:

- (a) acquire, or require the disposal of, or require any entity within the Target Group to offer to dispose of, any material asset of any entity within the Target Group;
- (b) terminate, or vary the terms or performance of, any material agreement with any entity within the Target Group;
- (c) terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Target Group; or
- (d) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Target Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Target Group to borrow moneys or incur indebtedness,

other than a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and disclosed to the ASX or as fully and Fairly Disclosed by the Target.

6.6 No material breach of the Bid Implementation Deed by the Target

Between the Announcement Date and the end of the Offer Period, the Bidder does not become entitled to terminate the Bid Implementation Deed under clause 11.1 as a result of any material breach of the Bid Implementation Agreement or of the representations and warranties given by the Target under the Bid Implementation Deed becoming untrue or incorrect in any material respect.

6.7 No prescribed occurrences

During the period from the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occur:

- (a) the Target converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) the Target or a Subsidiary of the Target resolves to reduce its share capital in any way;
- (c) the Target or a Subsidiary of the Target enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Target or a Subsidiary of the Target issues shares (other than as a result of the exercise of Target Options or Target Performance Rights) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Target or a Subsidiary of the Target issues, or agrees to issue, convertible notes;
- (f) the Target or a Subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Target or a Subsidiary of the Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;

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- (h) the Target or a Subsidiary of the Target resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Target or of a Subsidiary of the Target is appointed;
- (j) a court makes an order for the winding up of the Target or of a Subsidiary of the Target;
- (k) an administrator of the Target or of a Subsidiary of the Target is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Target or a Subsidiary of the Target executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Target or a Subsidiary of the Target,

provided that a prescribed occurrence will not include any matter:

- (n) expressly permitted by the Bid Implementation Deed; or
- (o) the undertaking of which the Bidder has previously approved in writing.

6.8 No prescribed occurrences between the Announcement Date and the date of the Bidder's Statement

During the period from the Announcement Date to the date that is the day before the date of the Bidder's Statement (each inclusive), none of the events listed in sub-paragraphs (a) to (m) of paragraph 6.7 happen.

6.9 No Financing

Between the Announcement Date and the end of the Offer Period (each inclusive), neither the Target nor any Subsidiary of the Target, other than with the prior written consent of the Bidder:

- (a) gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets) or enters into financing arrangements of any sort, whether in the ordinary and usual course or otherwise, in support of or for an amount equal to or more than A\$1,000,000; or
- (b) enters into or agrees to enter into any transaction between the Target and a Third Party for an alternate processing option for the Rothsay gold project, including leasing or toll treating, which is substantially different than the processing option set out in the Target's disclosure to the ASX prior to the Execution Date including the "updated definitive feasibility study" outcomes announced on 12 February 2019.

6.10 Third Party Consents

Prior to the end of the Offer Period, all Third Party Consents are obtained (and are not withdrawn or revoked) in respect of implementation of the Offer.

6.11 Option Offer

Prior to the date which is seven (7) days before end of the Offer Period each Optionholder accepts the Option Offer for all of their Target Options.

Pre-Bid Acceptance Deed



Definitions for Bid Conditions

Announcement Date means the date of announcement of the Bidder's intention to make the Offer.

ASIC means the Australian Securities and Investments Commission.

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

Bid Implementation Deed means the deed of that name between the Bidder and the Target dated on or about the Announcement Date.

Bidder means Silver Lake Resources Limited ACN 108 779 782.

Bidder Group means the Bidder and its Subsidiaries.

Bidder's Statement means the bidder's statement to be prepared in relation to the Offer and includes any supplementary or replacement bidder's statement.

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

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

Execution Date means the date of execution of the Bid Implementation Deed by the parties.

Fairly Disclosed means sufficient information has been disclosed that a sophisticated investor, experienced in transactions of the nature of the Takeover Bid and familiar with the business of the Target would be aware of the substance and significance of the information.

Offer means an off-market offer to be made by the Bidder under Chapter 6 of the Corporations Act to acquire all of the Target Shares on the terms envisaged in the Bid Implementation Deed.

Offer Period means the period during which the Offer remains open for acceptance by Target Shareholders.

Option means an option, issued by the Target prior to the Announcement Date, to subscribe for one Target Share.

Performance Rights means performance rights issued by the Target prior to the Announcement Date and pursuant to which, subject to terms and conditions of the applicable plan, the holder may be issued Target Shares.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Specified Amount means A\$300,000.

Subsidiary has the meaning given to that term in the Corporations Act.

Target means Egan Street Resources Limited ACN 144 766 236.

Target Group means the Target and its Subsidiaries.

Pre-Bid Acceptance Deed



Target Share means an ordinary share issued in the capital of the Target.

Target Shareholder means a person who is the registered holder of one or more Target Shares.

Tenements means:

- (a) the Rothsay gold project located 300km north east of Perth, Western Australia and incorporating licences M59/39, M59/40, E 59/2254, E59/1234, E59/2183 E59/2354; and E59/2355 and L59/24 and application for E59/2320 (once granted); and
- (b) E08/2847 located south of Onslow, Western Australia.

Third Party means a person other than the Bidder or a member of the Bidder Group.

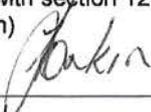
Third Party Consents means any consent, agreement, licence, waiver or approval from a Third Party in relation to a contract of the Target or Target Group, which the parties have agreed in writing is necessary for implementation of the Takeover Bid.

Pre-Bid Acceptance Deed



Signing page

Executed as a deed by **Silver Lake Resources Limited ACN 108 779 782** in accordance with section 127 of the Corporations Act 2001 (Cth)



Director
Luke Tonkin

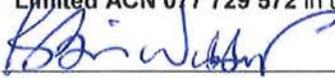
Print full name of Director



Director/Secretary (if applicable)
David Berg

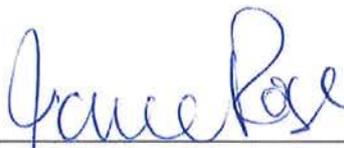
Print full name of Director/Secretary

Executed as a deed by **Lion Selection Group Limited ACN 077 729 572** in the presence of:



Director
ROBIN ANTHONY WIDDUP

Print full name of Director



Director/Secretary (if applicable)
JANE MICHELE ROSE

Print full name of Director/Secretary