PALADIN ENERGY LTD

March Quarter Results
Conference Call and Investor Update
11 May 2016

Alexander Molyneux – Chief Executive Officer
Craig Barnes – Chief Financial Officer
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Disclaimer and Notes for JORC and NI 43-101 Mineral Resources and Ore Reserves

This presentation includes certain statements that may be deemed "forward-looking statements". All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the "Company") expects to occur, are forward-looking statements.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

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In the following presentation, for those deposits that are reported as conforming to the Joint Ore Reserves Committee (JORC) 2004 or 2012 code, the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Ore Reserves, Probable Ore Reserves and Competent Person are equivalent to the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Mineral Reserves, Proven Mineral Reserves, Probable Mineral Reserves and Qualified Person, respectively, used in Canadian National Instrument 43-101 (NI 43-101).

The technical information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Stephanie Raiseborough B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Mr. Princep and Ms. Raiseborough each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as Qualified Persons as defined in NI 43-101. Mr. Princep and Ms. Raiseborough are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Previous tonnages, grades, assays and other technical data relating to the Oobagooma deposit are taken from historical records prior to the implementation of the current NI 43-101. While the data is believed to have been acquired, processed and disclosed by persons believed to be technically competent, they were estimated prior to the implementation of NI 43-101 and are therefore regarded as historical estimates for the purposes of NI 43-101 and as an exploration target for the purposes of JORC disclosure. A Qualified Person as defined in NI 43-101 has not done sufficient work to classify the historical estimate as current Mineral Resources. The Company is not treating the historical estimates as current Mineral Resources as defined in NI 43-101 and for this reason the historical estimates should not be relied upon. At present, the Company considers that these resources have no equivalent classification under NI 43-101 and should therefore be considered as unclassified. The historical information is presented on the basis that it may be of interest to investors.

Some of the information in this presentation, in relation to the mineral resources and ore reserves for all deposits except Manyingee and Michelin, was prepared and first disclosed under the JORC Code 2004. It has 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….

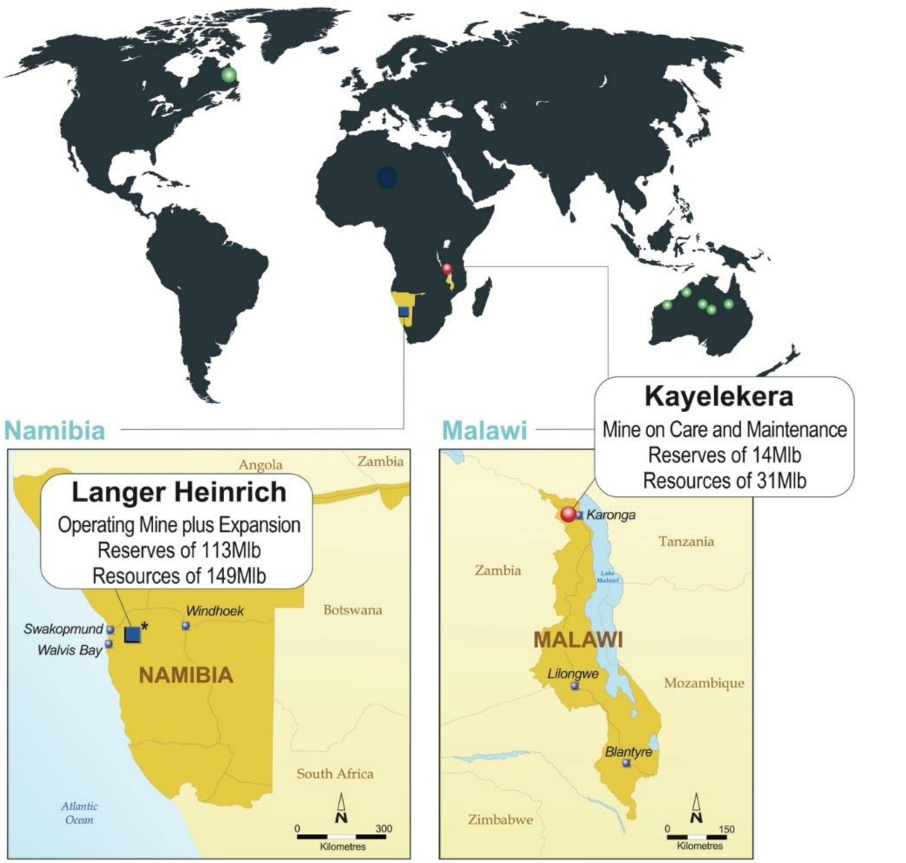
A **GLOBAL URANIUM LEADER**

OWNS **LANGER HEINRICH, A STRATEGIC TIER ONE MINE**

HAS **OPTIMISATION AS A CORE COMPETENCY**

PROVIDES **BEST SENIOR LEVERAGE TO URANIUM UPSIDE**

Global Uranium Leader

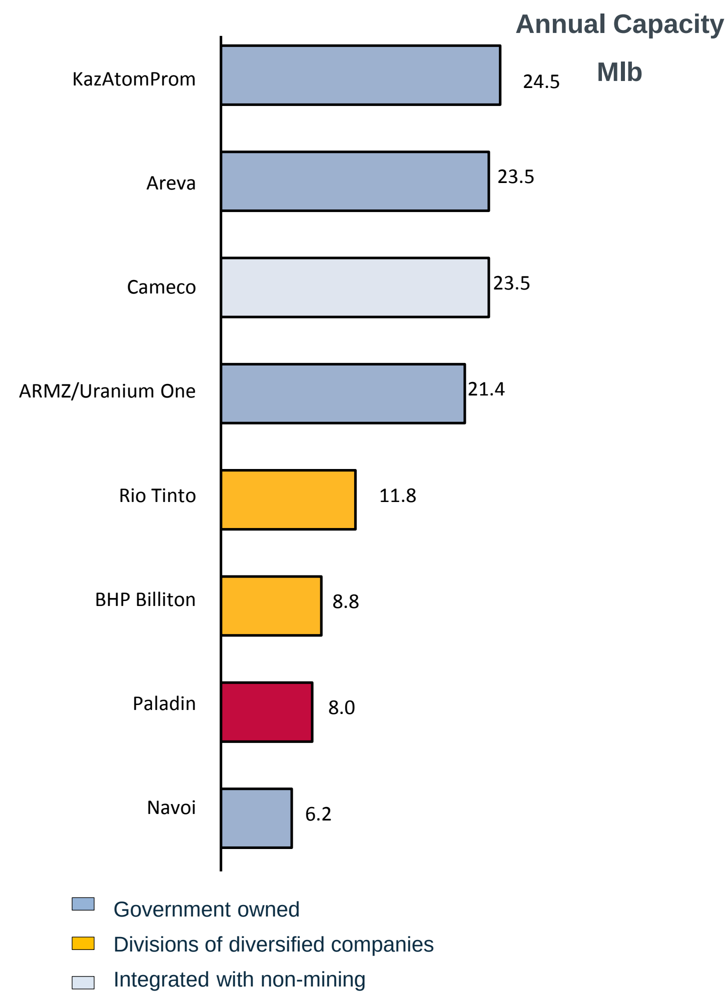


Attributable Reserves and Resources	
Proved + Probable	**98.5Mlb U_3O_8**
Measured + Indicated	**239.3Mlb U_3O_8**
Inferred	**156.3Mlb U_3O_8**
Historic	**21.9Mlb U_3O_8**

Paladin 100%
Paladin 75%
Geological Assets

Resources and Reserves shown on the map represent 100% of the Resource of Reserve - not the participant's share, and are depleted for mining where appropriate.

Paladin is the world's leading independent pure play uranium miner



Langer Heinrich A Strategic Tier One Mine

First Quartile

C1 Cash Cost[1]

Top 10 Uranium Mine by Production[2]

4th largest open-pit

+20 Year Mine Life[3]

35.1Mlbs

Cumulative production

[1] Source – UxC Uranium Production Cost Study – August 2015
[2] Source – TradeTech Uranium Market Study – 2015: Issue 3 (based on 2015 production)
[3] At current processing rates

Quarter to 31 March 2016 Highlights

References below to 2016 and 2015 are to the equivalent three months ended 31 March 2016 and 2015 respectively.

Production 1.302Mlbs
Drummed Production 1.268Mlbs

LTIFR 1.4
Compared to 2.1 last quarter and 2.3 in 2015

US$34.67/lb ASP
6% above average spot US$32.73/lb for quarter

C1 Cash Cost US$24.13/lb
vs March quarter guidance US$23/lb to US$25/lb

All-in Cash Expenditure US$31.60/lb
Decrease of 33% from US$46.87/lb in 2015

Cash US$21.4M
vs pro forma guidance incl. repurchase of CB's US$19M to US$29M

- ✓ **Repurchased US$25M of Convertible Bonds due 2017 to reduce to US$212M**
- ✓ **Repayment and termination of the US$56.4M LHM Syndicated Facility**
- ✓ **C1 cash cost decreased 18% from US$29.42/lb in 2015**
- ✓ **On track to be cash flow neutral excluding one-off items**

Quarter to 31 March 2016 Highlights

PALADIN

References below to 2016 and 2015 are to the equivalent three months ended 31 March 2016 and 2015 respectively.

Sales revenue
US$20.8M
0.595Mlb sold at average realised price of US$34.67/lb

Up 22%

Cost of Sales
US$18.7M
Increase from 2015
Cost of Sales of US$16.4M

Up 14%

Gross Profit
US$2.1M
Increase from 2015
Gross Profit of US$0.7M

Up 200%

Negative EBITDA
US$0.8M
Improved from 2015
Negative EBITDA of US$6.2M

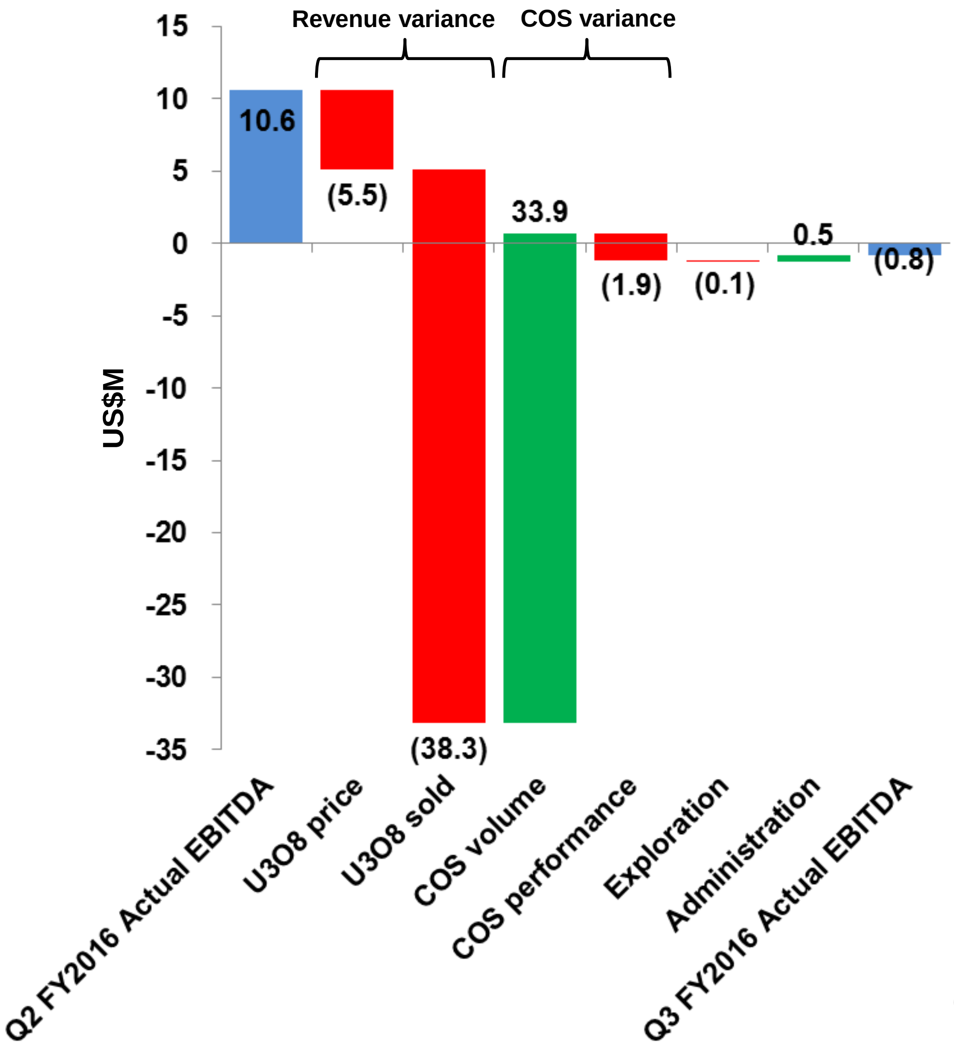
Down 87%

US$25M Repurchase of 2017 CB
Resulted in savings of approx. US$3.7M

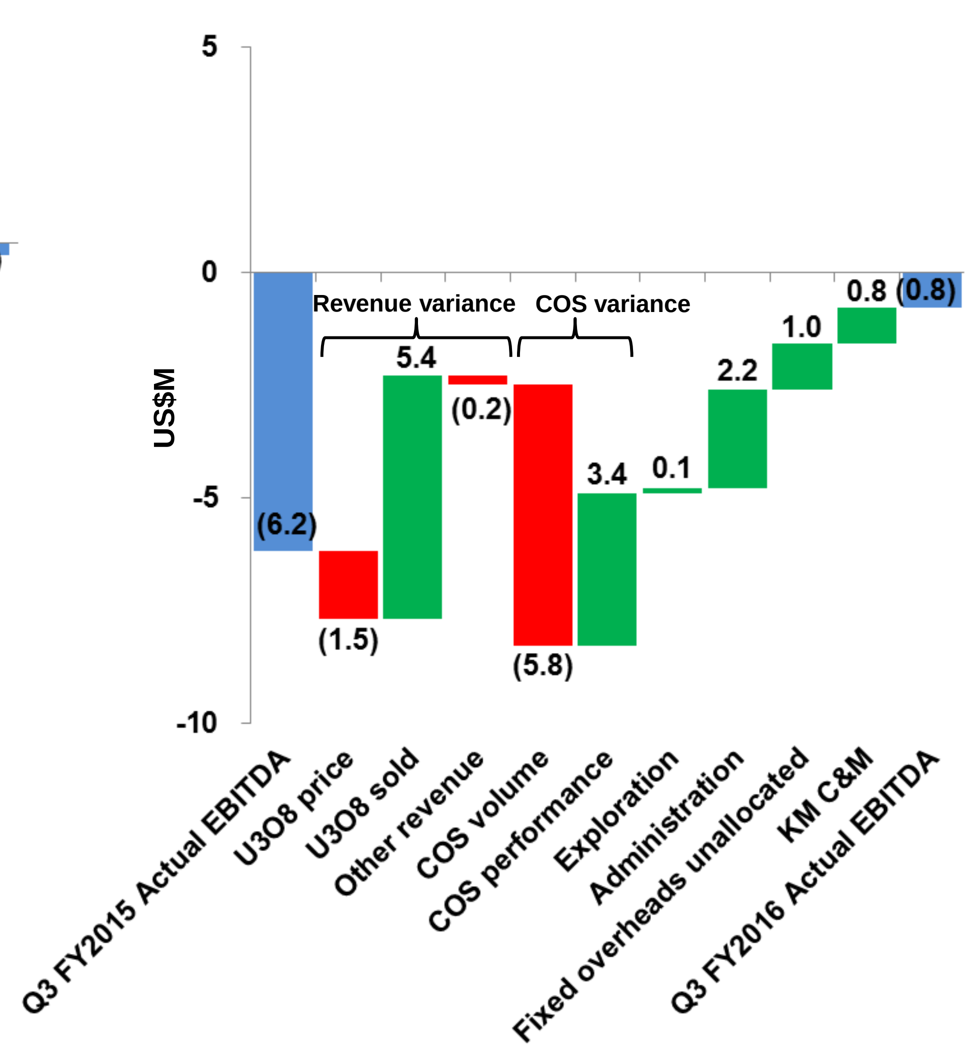
Repayment of US$56.4M LHM Syndicated Facility
Release of US$28.2M DSRA
To be replaced with new
US$25M Revolving Credit Facility

EBITDA Variance Analysis

Quarter to 31 March 2016 vs. Quarter to 31 December 2015

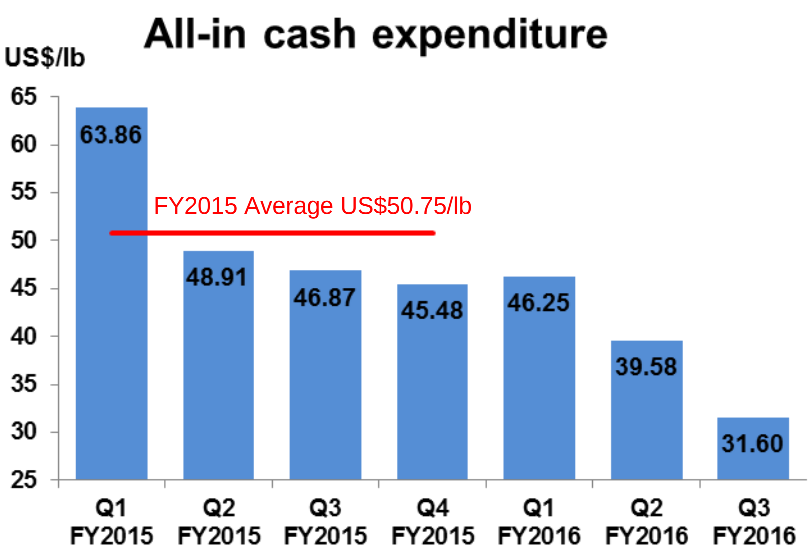


Quarter to 31 March 2016 vs. Quarter to 31 March 2015

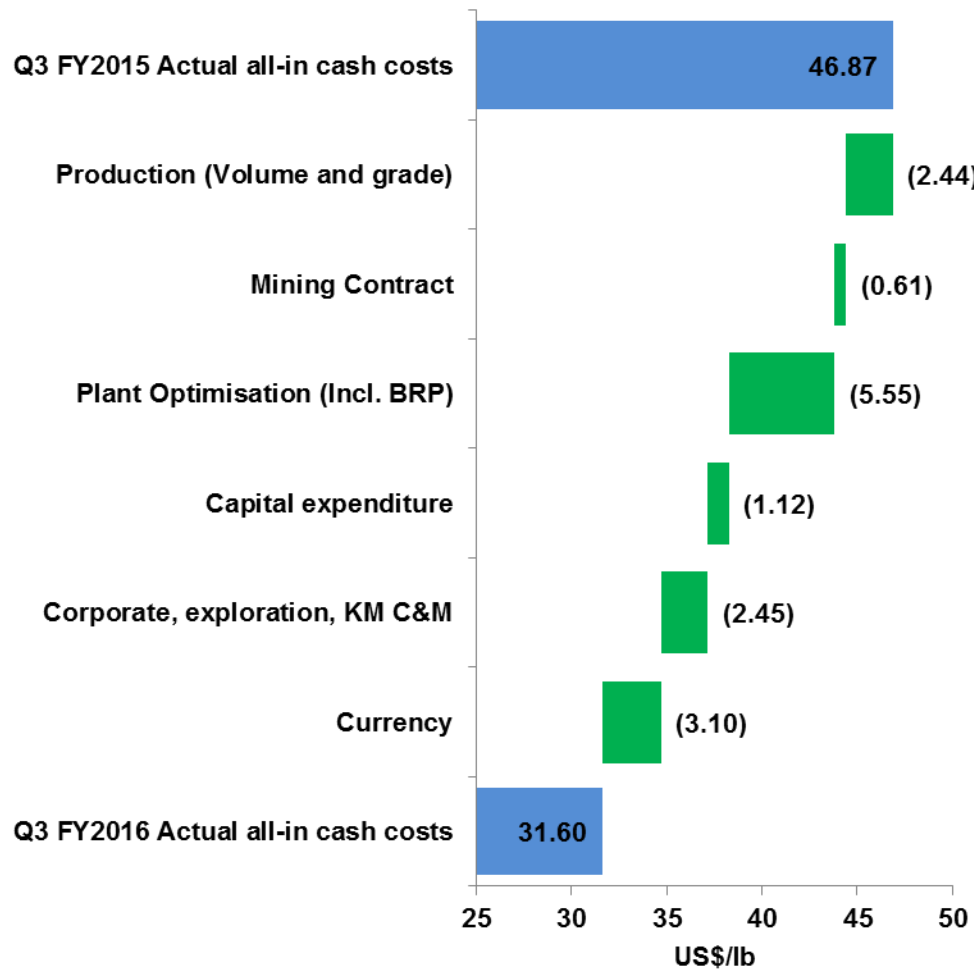


All-in Cash Expenditure (Breakeven Price)

- Defined to include all spending
- Ahead on plans to reduce expenditure in line with low uranium price
- Reduced by US$15.27/lb vs. equivalent quarter last year (excluding one off items)



Quarter to 31 March 2016 vs. Quarter to 31 March 2015



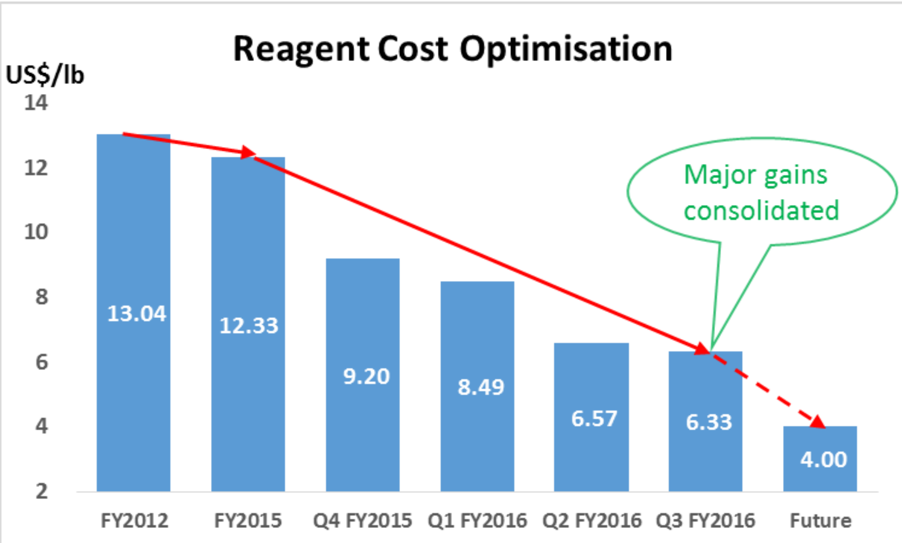
Capital Management

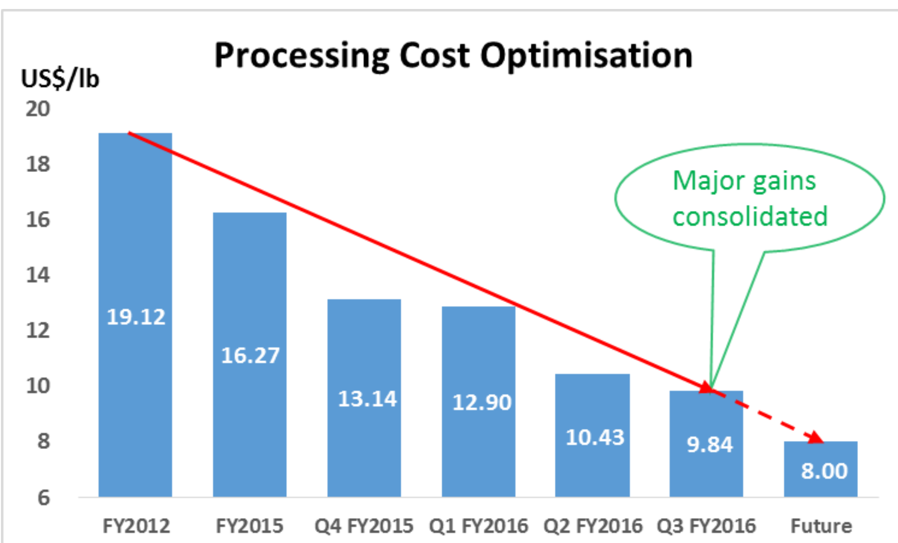
- Debt reduction[1]
  - US$552.5M since June 2012
  - US$81M during March 2016 Quarter
    - US$25M reduction in 2017 CB
    - US$56M repayment of LHM Syndicated Facility
- Next maturity is April 2017
- US$25M Revolving Credit Facility:
  - Documentation well advanced
  - Implementation and drawdown expected in coming month
- Strategic discussions advanced regarding potential transactions
  - Due diligence ongoing by counterparties
- Estimated funding 'gap' to re-finance April 2017 CB maturity US$140-165M

Breakdown of Key Debt Instruments [1]	US$M
Convertible Bonds due April 2017	212
Convertible Bonds due March 2020	150
Total Debt	**362**

[1] Reductions based on face value of debt

Optimisation a Core Competency

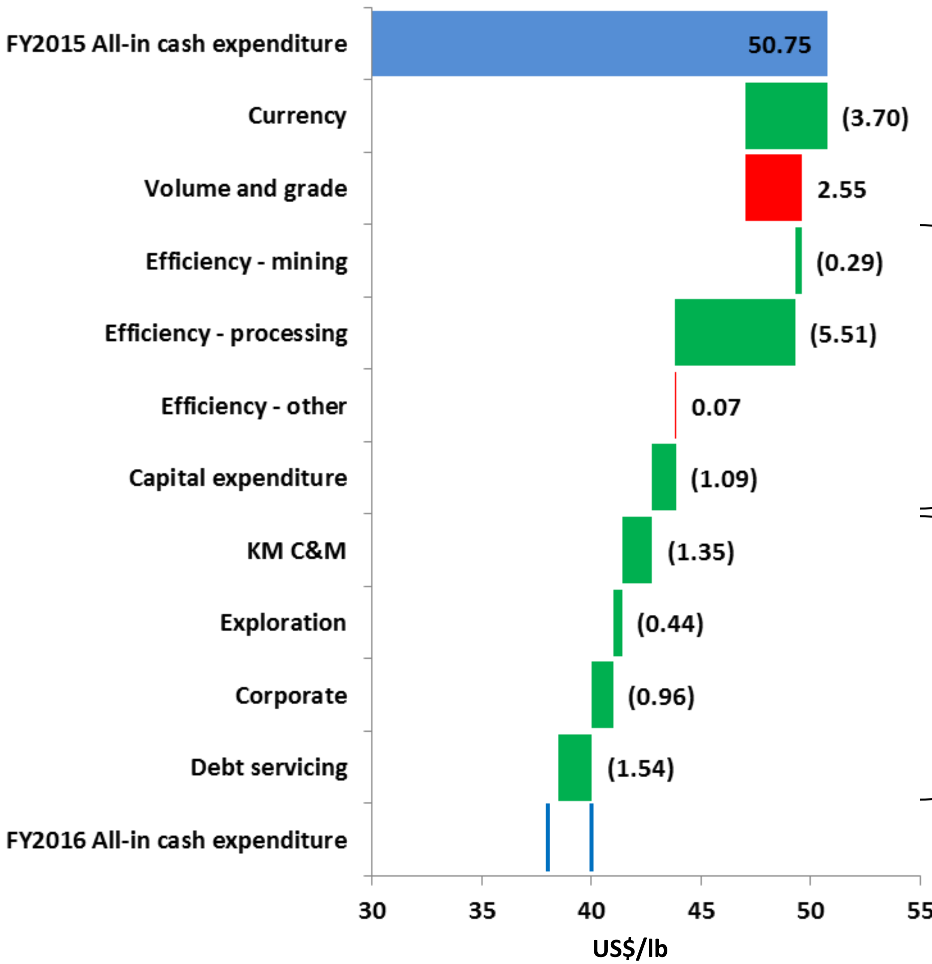




- Paladin maintains a world class technical services team focused on cash flow optimisation
- BRP continues to operate well above design and absorbs process deviations well
- Focus of technical services now on:
  - final stages of innovation strategy;
  - U/V separation enhancement;
  - vanadium production; and
  - maintaining cash flow and production in a declining ore grade environment.

Optimisation a Core Competency

All-in cash costs variance analysis (FY2016 current guidance vs. FY2015 actual)[1]



Assumed USD/NAD of 14.76 vs 11.48 for FY2015

9.0% reduced grade to 697ppm offset by volume increase

Mining and processing optimisation:

- Impact of BRP plus minor optimisation initiatives
- Reduced contract rates in mining contract
- Deferred capex

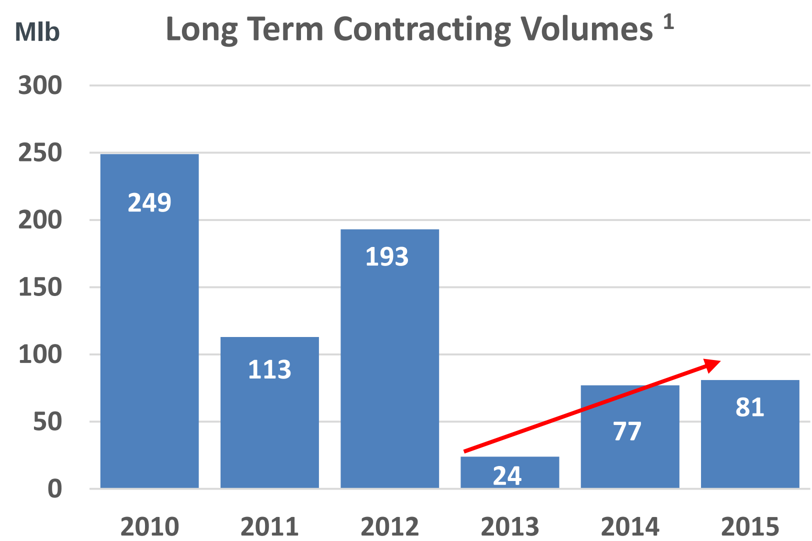
Other Controllable costs:

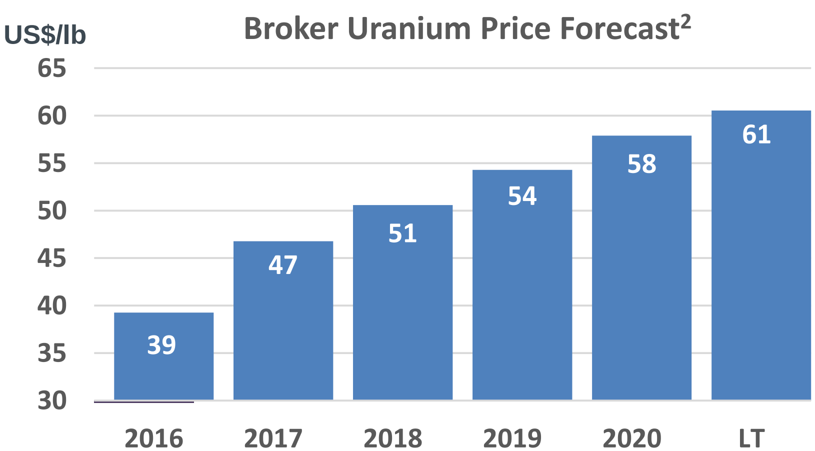
- Reduction of head office staff and admin costs
- Exploration on care and maintenance (i.e., minimal spend to meet licence commitments)
- Debt reduction

[1]Includes: Operating cash flows; investing cash flows; and debt servicing (including principal and interest payments on the LHM syndicated facility agreement)

Best Leverage to Uranium Upside

Uranium market liquidity improving and outlook remains robust





- Increased market activity in 2015
  - LTC volumes increased to 81Mlb (43 deals)
  - Market replacement volumes need to trend to 180M to 200Mlb
  - 2015 spot volumes 49.3Mlb Vs 2014 spot volumes 42.9Mlb
  - Overall trading activity continues to improve compared to recent years and we believe this needs to happen for prices to normalise
- Market re-balancing continues
  - Japan: Sendai reactors continued to operate safely following two large earthquakes. Ikata 1 to recommence in coming months
  - KazAtomProm to set up uranium fund for surplus material
  - Cameco announced production cut-backs of c.7Mlbs on an annualised basis

[1] *UxC Weekly 8 February 2016*

2 Based on the average uranium price forecast by RBC, Argonaut, Scotiabank, TD, Citi, Morgan Stanley, JPMorgan, Dundee Securities, Macquarie, Deutsche Bank, BAML, Cannacord, Credit Suisse, BMO, Raymond James, UBS

Strategy

1. Maximise LHM operating cash flows through optimisation initiatives whilst preserving the integrity of the long-term life of mine plan

2. Maintain KM and exploration on a “minimal expenditure, care and maintenance basis”

3. Minimise corporate and administrative costs

4. Progress strategic initiatives with respect to partnerships, strategic investment, funding and corporate transactions

FY2016 Guidance

Approx. 4.8Mlb Production

vs approx. 5.0Mlb previously

FY2016 US$4/lb

Full-year average ASP Premium to spot (no change)

Cash flow neutral for FY2016

2H FY2016 to be cash flow positive

US$19M corporate costs, KM care and maintenance and exploration

US$14M lower than FY2015 (no change)

LHM C1 US$24-26/lb

June Quarter:

- *Sales 1.75Mlb – 2.10Mlb*
- *LHM C1 cash cost US$25-27/lb*
- *Cash balance US$45-65M*

High-level FY2017 guidance:

- *Production – Plus 5.0Mlb*
- *LHM C1 cash cost US$22.50-24.50/lb*
- *"All in" US$29.50-31.50/lb*

Appendix

Langer Heinrich Project Update

- **Production March Quarter**
  - 1.302 Mlb (drummed 1.268Mlb)
  - recovery 85.5%
- **C1 Cost US$24.13/lb, on track to achieve $24-26/lb for FY2016**
- **Optimisation and innovation for further unit cost reduction**
  - further application of membranes
  - enhanced U/V separation
  - recovery of vanadium
  - other focal areas:
    - process recovery
    - operator training and operating systems
    - process plant utilisation
- **Guidance FY2016 of approx. 4.8Mlb**

Actuals	Mar Quarter		Mar YTD	
	FY2015	FY2016	FY2015	FY2016
Ore treated (Mt)	0.860	0.981	2.522	2.731
Ore grade (ppm)	736	705	758	708
Recovery (%)	88.4	85.5	87.5	85.4
U_3O_8 prod'n (Mlb)	1.234	1.302	3.701	3.644
C1 (US$/lb)	29.42	24.13	30.17	25.65

Pipeline Projects

- **Kayelekera Mine**
  - now stable in C&M
  - restart feasibility study completed and under Board review
  - site stable in terms of water and other environmental issues for the long term

- **Michelin Deposit Canada**
  - minimum expenditure planned for FY2016

- **Manyingee WA**
  - Minimum activity planned for FY2016

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