PALADIN ENERGY LTD

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE THREE MONTHS ENDED

30 SEPTEMBER 2013

Table of Contents – First Quarter Report 30 September 2013

The financial report covers the Group consisting of Paladin Energy Ltd (referred throughout as the Company or Paladin) and its controlled entities.

The following Management Discussion and Analysis ("MD&A") for Paladin Energy Ltd ("Company") and its controlled entities ("Group") should be read in conjunction with the Consolidated Financial Statements for the three months ended 30 September 2013. The effective date of this report is 14 November 2013.

The financial information presented in this MD&A has been extracted from the attached financial statements.

In addition to these Australian requirements, further information has been included in the Consolidated Financial Statements for the three months ended 30 September 2013 in order to comply with applicable Canadian securities law, as the Company is also listed on the Toronto Stock Exchange.

Additional information relating to the Company and its operations, including the Company's Quarterly Activities Report for each of the periods ended 31 December 2012 and 31 March 2013 and the most recent Annual Report for the year ended 30 June 2013 and other public announcements are available at www.paladinenergy.com.au.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitation, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Group may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Group. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of anticipated events.

OVERVIEW

The Group has two operating uranium mines in Africa, uranium exploration projects in Australia, Africa and Canada, and a strategy to become a major uranium mining house. The Company is incorporated under the laws of Western Australia with a primary share market listing on the Australian Securities Exchange ("ASX") and additional listings on the Toronto Stock Exchange ("TSX") in Canada; as well as the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The main activities and results during the three months ended 30 September 2013 were:

- Solid and steady quarterly production at both the Langer Heinrich and Kayelekera mines.
  - Combined production of 2.044Mlb (927t) U_3O_8 is on budget and an increase of 6% over the quarter ended 30 September 2012.
  - Kayelekera planned 16 day maintenance shutdown in August was extended by 7 days however the site achieved strong performance overall.
- Langer Heinrich produced a record 1,429,378lb (648t) U_3O_8 for the September quarter, achieving 4% above budget and up 11% on the September 2012 quarter.
  - Record recovery for quarter of 88.7% (design: 85% and target 90%).
  - Feed grade for the quarter of 837ppm U_3O_8 (design: 800ppm and target 750ppm).
- Kayelekera produced 614,603lb (279t) U_3O_8 for the September quarter, 9% below budget due to the extension of the planned shutdown.
  - Production for July and September on budget.
  - Feed grade for quarter of 1,261ppm U_3O_8 (budget: 1,150ppm).
  - Recovery for quarter of 85.1% for the quarter (budget 87%).
- Sales revenue of US$69.2M for the quarter, selling 1,673,450Mlb U_3O_8 at an average price of US$41.38/lb. Anticipated sales of approximately 2.6Mlb in the December quarter.
- Cost savings and optimisation initiatives were announced for FY2014 and FY2015, further improving unit cost profiles for Langer Heinrich and Kayelekera over this period and reducing corporate costs.
- On target to meet FY2014 production guidance of 8.3 – 8.7Mlb U_3O_8.
- Impairment expense of US$12.0M has been recorded on inventory at KM for the September quarter, due to continued uranium price weakness.
- Operating results constant, excluding inventory impairment, despite US$8.40/lb decline in realised uranium sales price.
- Positive responses have been received on the proposed minority sale of Langer Heinrich with the process advancing well.
- Institutional placement of shares raised A$88M/US$80.6M.

SUMMARISED INCOME STATEMENT	**THREE MONTHS ENDED 30 SEPTEMBER 2013 US$M**	**2012 US$M**
Revenue	**69.4**	**61.3**
Gross (loss)/profit	**(14.9)**	**1.7**
Exploration and evaluation expenses	(0.4)	(0.5)
Administration, marketing and site non-production costs	(6.3)	(9.8)
Other expenses and income	(8.9)	(43.8)
Loss before interest and tax	(30.5)	(52.4)
Finance costs	(14.2)	(17.0)
Income tax benefit	0.9	18.2
Loss after tax	(43.8)	(51.2)
Loss after tax attributable to:		
Non-controlling interests	(3.8)	(5.3)
Members of the parent	(40.0)	(45.9)
	(43.8)	**(51.2)**
Loss per share – basic and diluted (US cents)	(4.3)	(5.5)

References below to 2013 and 2012 refer to the equivalent three months ended 30 September 2013 and 2012 respectively.

C1 cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term. C1 cost information (unreviewed) has been extracted from the financial statements. (Refer to Reconciliation of C1 Cost of Production to Cost of Goods sold below). For an analysis of total cost of sales refer to Note 5(b) to the financial statements.

Analysis of Income Statement

ANALYSIS OF REVENUE AND GROSS PROFIT

			Three months ended 30 September 2013 US$M	2012 US$M
Revenue from sales of uranium oxide	Up	13%	69.2	61.0
Interest income and other revenue			0.2	0.3
Total revenue	Up	13%	69.4	61.3
Cost of sales			(72.3)	(57.0)
Impairment – inventory and stores and consumables			(12.0)	(2.6)
Gross (loss)/profit	Down	976%	**(14.9)**	**1.7**
Realised uranium sales price			US$41.4/lb	US$49.8/lb
			Mlb U_3O_8	**Mlb U_3O_8**
LHM sales volume	Up	40%	0.873	0.624
KM sales volume	Up	33%	0.800	0.600
Total sales volume	Up	37%	**1.673**	**1.224**
LHM production	Up	11%	1.429	1.290
KM production	Down	4%	0.615	0.639
Total production	Up	6%	**2.044**	**1.929**

Revenue increased 13%, from US$61.3M in 2012 to US$69.4M in 2013 due to a 13% increase in sales of uranium from US$61.0M in 2012 to US$69.2M in 2013. Sales volume in 2013 of 1.673Mlb U_3O_8 increased by 37% from 1.224Mlb U_3O_8 in 2012. The average realised uranium sales price in 2013 was US$41.4/lb U_3O_8 (2012: US$49.8/lb U_3O_8) compared to the average UxC spot price for the quarter of US$36.0/lb U_3O_8.

RECONCILIATION OF C1 COST OF PRODUCTION TO COST OF GOODS SOLD

	THREE MONTHS ENDED 30 SEPTEMBER 2013			THREE MONTHS ENDED 30 SEPTEMBER 2012		
	LHM	**KM**	**TOTAL**	**LHM**	**KM**	**TOTAL**
Volume Produced (lb)	*1,429,378*	*614,603*	*2,043,981*	*1,290,462*	*638,950*	*1,929,412*
	US$M	US$M	US$M	US$M	US$M	US$M
Cost of Production (C1)	40.0	24.1	64.1	41.1	31.4	72.5
Cost of Production/lb (C1)	*US$28.0/lb*	*US$39.3/lb*		*US$31.8/lb*	*US$49.0/lb*	
Depreciation & amortisation	7.2	5.0	12.2	6.7	6.4	13.1
Production distribution costs	1.9	1.6	3.5	1.6	1.6	3.2
Royalties	1.0	0.9	1.9	1.7	0.7	2.4
Inventory movement	(15.7)	6.5	(9.2)	(17.5)	(3.6)	(21.1)
Other	(0.2)	-	(0.2)	(8.6)	(4.5)	(13.1)
Cost of goods sold	**34.2**	**38.1**	**72.3**	**25.0**	**32.0**	**57.0**

Gross Loss in 2013 of US$14.9M is a turnaround from a gross profit in 2012 of US$1.7M due to lower prices and a higher impairment of KM inventory of US$12.0M (2012: US$2.6M), which has been partially offset by a 37% increase in sales volume. An impairment was required to reduce the cost of KM inventory held to a net realisable value using the continued low uranium prices. The C1 cost of production for LHM, for the quarter, in 2013 decreased by 12% to US$28.0/lb U_3O_8 (2012: US$31.8/lb U_3O_8). The C1 cost of production for KM in 2013 decreased by 20% to US$39.3/lb U_3O_8 (2012: US$49.0/lb U_3O_8). These results provide evidence that the cost benefits from the cost optimisation programme are being realised.

Exploration and Evaluation Expenditure of US$0.4M in 2013, which relates to early stage work and project generation activities in Australia and Malawi, decreased from 2012 (US$0.5M).

ANALYSIS OF ADMINISTRATION, MARKETING EXPENSES & SITE NON-PRODUCTION COSTS

			THREE MONTHS ENDED 30 SEPTEMBER 2013 US$M	**2012 US$M**
Corporate & marketing	Down	20%	(3.9)	(4.9)
Restructure costs	Up	100%	(0.1)	-
Mine sites (LHM & KM)	Down	5%	(1.8)	(1.9)
Canadian operations	Down	75%	(0.1)	(0.4)
Non-cash – share-based payments	Down	137%	0.6	(1.6)
Non-cash – depreciation	Down	20%	(0.4)	(0.5)
LHM Stage 4 expansion project	Up	200%	(0.6)	(0.2)
KM research and development	Down	100%	-	(0.3)
Total			**(6.3)**	**(9.8)**

Administration, Marketing and Non-production Costs have decreased by US$3.5M from US$9.8M to US$6.3M. There has been a decrease of US$2.2M in non-cash share-based payments expense as there was a reduction in the number of share rights granted compared to 2012 and no share rights have been granted since April 2012. Additionally, the share-based payments expense decrease is due to the reversal of US$1.1M relating to the lapse and subsequent cancellation of share rights due to non-satisfaction of performance conditions for earnings per share targets. There was also a decrease of US$0.3M relating to a metallurgical research and development project at KM and corporate and marketing cost savings of US$1.0M were achieved through a cost rationalisation review. This decrease has been partially offset by an increase of US$0.4M relating to the LHM Stage 4 expansion project.

Other Expenses and Income have decreased from US$43.8M to US$8.9M due predominantly to an impairment charge of the KM assets in 2012 of US$41.1M compared to US$Nil this quarter. At 30 June 2013 the carrying value of KM was reduced to a recoverable amount of US$Nil. This was partially offset by a higher write-off of the fixed costs of KM of US$4.2M during the extended August 2013 plant shutdown compared to US$2.3M in the comparative period and an impairment of available-for-sale financial assets of US$3.5M due to the recognition of an impairment of the investment in Deep Yellow Ltd (DYL). Under the accounting standards, the Group was required to write down the carrying value of its investment in the listed DYL to its market price of US$0.02 per share at 30 September 2013.

Finance Costs have decreased by US$2.8M from US$17.0M to US$14.2M due to a decrease in debt outstanding and decreased funding costs. Finance costs relate primarily to interest payable and accretion on the US$300M convertible bonds issued 5 November 2010, the US$274M convertible bonds issued 30 April 2012, the US$58.1M project finance loan for KM and the US$89.6M project finance loan for LHM Stage 3.

Income Tax Benefit of US$0.9M for the three months to 30 September 2013 has been recognised predominantly as the result of the loss in Namibia, which has been partially offset by the movement in Summit losses due to foreign exchange movements.

Non-controlling Interest in net losses of US$3.8M is attributable to the 18.0% interest in Summit held by third parties and the 15% interest in Paladin (Africa) Ltd held by the Government of Malawi.

Loss after Tax attributable to the members of the parent for 2013 of US$40.0M was lower than the loss after tax for 2012 of US$45.9M predominantly as a result of the impairment of the KM assets in 2012 of US$41.1M compared to US$Nil in 2013, which has been partially offset by a smaller income tax benefit in 2013 compared to 2012.

Loss per Share noted on the Income Statement reflects the underlying result for the specific reported periods and the additional shares issued in 2013 compared to 2012.

Summary of Quarterly Financial Results

		2013 Sep Qtr	**2013 Jun Qtr**	**2013 Mar Qtr**	**2012 Dec Qtr**
Total revenues	**US$M**	69.4	109.6	106.4	134.2
Sales volume	**Mlb**	1.673	2.326	1.920	2.783
Loss after tax attributable to members	**US$M**	(40.0)	(173.3)	(54.1)	(147.6)
Basic and diluted loss per share	**US cents**	(4.3)	(20.1)	(6.4)	(17.1)

		2012 Sep Qtr	**2012 Jun Qtr**	**2012 Mar Qtr**	**2011 Dec Qtr**
Total revenues	**US$M**	61.3	126.2	67.8	70.4
Sales volume	**Mlb**	1.224	2.241	1.137	1.318
(Loss)/profit after tax attributable to members	**US$M**	(45.9)	(35.2)	(17.5)	3.2
Basic and diluted (loss)/profit per share	**US cents**	(5.5)	(3.9)	(1.8)	0.6

Total revenues for the quarters ended September 2013, March 2013 and December 2012 have increased when compared to the equivalent comparative quarter as a result of higher sales volumes of uranium, whereas total revenues for the quarter ended June 2013 are lower than the comparative quarter. The decrease in revenue in June 2013 quarter is due to lower prices partially offset by higher sales volumes.

Uranium sales tend to fluctuate quarter on quarter due to the uneven timing of contractual commitments and resultant delivery scheduling by utility customers.

Loss after tax for the quarter ended September 2013 of US$40.0M is lower than the comparative quarter loss of US$45.9M predominantly as a result of the impairment of the KM assets in 2012 of

(All figures are in US dollars unless otherwise indicated)

US$41.1M compared to US$Nil in 2013, which has been partially offset by a smaller income tax benefit in 2013 compared to 2012.

Loss after tax for the quarter ended June 2013 of US$173.3M is higher than the comparative quarter loss of US$35.2M predominantly as a result of the higher impairment charge of the KM assets and the impairment of exploration assets in 2013, compared to 2012.

Loss after tax for the quarter ended March 2013 of US$54.1M is higher than the comparative quarter loss of US$17.5M predominantly as a result of the impairment charge of the KM assets in 2013 of US$44.8M compared to US$Nil in 2012.

Loss after tax for the quarter ended December 2012 of US$147.6M is a turnaround from the profit of US$3.2M in the comparative quarter. The loss is predominantly due to the de-recognition of the US$98.2M KM net deferred tax asset and the recognition of the KM impairment.

Segment Disclosure (refer to Note 4 in the Financial Statements)

The profit before tax and finance costs for the quarter of US$0.2M in the Namibian segment decreased by US$5.1M (2012: US$5.3M) as higher sales volumes have been offset by lower prices. The Malawian segment reflected a loss before tax and finance costs for the quarter of US$23.2M, which is lower compared to a loss of US$50.8M in 2012 predominantly as a result of the lower impairment of the KM assets in 2013 compared to 2012. Exploration activities have remained steady from 2012 to 2013. In the Unallocated portion, the Group reflected the remaining Income Statement activities, which for 2013 comprise mainly marketing, corporate, finance and administration costs. This area includes an impairment loss on available-for-sale financial assets of US$3.5M (2012: US$Nil). This area has remained fairly static with a net loss before finance costs in 2012 of US$6.7M increasing slightly to a net loss of US$7.2M in 2013.

Summary of Quarterly Production

Results

		2013 Sep Qtr	**2013 Jun Qtr**	**2013 Mar Qtr**	**2012 Dec Qtr**	**2012 Sep Qtr**
LHM						
Production U_3O_8	**Mlb**	1.429	1.353	1.230	1.419	1.290
C1 cost of production	**US$/lb**	28.0	29.4	29.8	29.6	31.8
KM						
Production U_3O_8	**Mlb**	0.615	0.790	0.762	0.772	0.639
C1 cost of production	**US$/lb**	39.3	39.2	39.8	43.5	49.0

C1 cost of production for LHM has fallen from US$31.8/lb in the September 2012 quarter to US$28.0/lb in the September 2013 quarter, a decrease of 12%.

C1 cost of production for KM has fallen from US$49.0/lb in the September 2012 quarter to US$39.3/lb in the September 2013 quarter, a decrease of 20%.

These results provide evidence that the cost benefits from the cost optimisation programme at both sites continue to be realised.

Further improvements in C1 costs are expected over the next two years due to a number of additional cost saving initiatives. These include, at LHM, reductions in process reagents and water consumption as well as enhanced process recoveries and at KM, grid power coming on-line, the implementation of acid saving nano technology, as well as increasing process recovery (RIP circuit) and production capacity (de-bottlenecking).

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME	**THREE MONTHS ENDED 30 SEPTEMBER**	
	2013 US$M	**2012 US$M**
Net loss after tax	(43.8)	(51.2)
Transfer of realised gains to other income on disposal of available-for-sale financial assets	(0.3)	(0.8)
Net loss on available-for-sale financial assets	(3.2)	(0.8)
Transfer of impairment loss on available-for-sale financial assets to income statement	3.5	-
Foreign currency translation	17.1	25.3
Income tax on items of other comprehensive income	0.1	0.4
Total comprehensive loss for the period	**(26.6)**	**(27.1)**

Net Loss after Tax is discussed under the Summarised Income Statement section.

Transfer of Realised Gains to Other Income in 2013 of US$0.3M relates to the disposal of an available-for-sale financial asset.

Net Loss on Available-for-sale Financial Assets in 2013 of US$3.2M primarily relates to the fair value decrement in available-for-sale financial assets attributable to a decrease in the share price primarily of DYL.

Transfer of Impairment Loss on Available-for-sale Financial Assets in 2013 of US$3.5M relates to the impairment of the investment in DYL.

Foreign Currency Translation relates to the foreign currency translation reserve movement as a result of the translation of subsidiaries with Australian and Canadian dollar functional currencies into the Group presentation currency of US dollars on an ongoing basis and for the comparative period.

Income Tax on Items of Other Comprehensive Income in 2013 relates to tax on movements in available-for-sale financial assets.

SUMMARISED STATEMENT OF FINANCIAL POSITION	**AS AT 30 SEPTEMBER 2013 UNAUDITED US$M**	**30 JUNE 2013 AUDITED US$M**
Total current assets	340.9	324.4
Total non current assets	1,539.6	1,513.3
Total assets	1,880.5	1,837.7
Total current liabilities	125.3	131.4
Total non current liabilities	1,056.2	1,058.1
Total liabilities	1,181.5	1,189.5
Net Assets	**699.0**	**648.2**

Current Assets have increased to US$340.9M at 30 September 2013 due to an increase in cash, which has been partially offset by a decrease in trade and other receivables.

Cash and cash equivalents have increased from US$78.1M to US$125.0M at 30 September 2013 as a result of the net proceeds received from the August 2013 share placement of US$78.2M. This has been partially offset by principal repayments for KM and LHM project finance facilities of US$21.9M and payments for plant and equipment of US$11.7M, exploration and evaluation project expenditure of US$2.1M, as well as finance costs, corporate costs and a decrease in receipts from customers.

Trade and other receivables have decreased from US$78.3M to US$47.5M at 30 September 2013 as a result of a decrease in trade receivables, predominantly due to the uneven timing of uranium sales.

Inventories have remained unchanged at US$158.8M at 30 September 2013 predominantly due to higher volumes of inventory held by LHM, which is partially offset by the lower cost-per-pound of production resulting from cost optimisation improvements. The value of KM inventory being held is lower predominantly due a lower net realisable value as the price of uranium has fallen since 30 June 2013. The Groups sales volumes for the quarter of 1.673Mlb U_3O_8 were 0.371Mlb U_3O_8 lower than production of 2.044Mlb U_3O_8.

Non Current Assets have increased from US$1,513.3M to US$1,539.6M at 30 September 2013 predominantly as a result of an increase in the value of exploration assets, which is due to the foreign exchange incremental movement on the Australian and Canadian dollar currencies against the US dollar, together with capitalised exploration expenditure and ROM stockpiles at LHM increased as planned as part of Stage 3 production expansion in order to meet the future mine plan ore-blend requirements. This was partially offset by a decrease in the fair value of other financial assets primarily attributable to the decrease in the share price of DYL.

Current Liabilities have decreased from US$131.4M to US$125.3M at 30 September 2013 primarily as a result of the repayment of project financing for LHM of US$11.9M and a decrease in employee provisions of US$5.8M, which has been partially offset by an increase in creditors of US$11.6M.

Non Current Liabilities have decreased from US$1,058.1M to US$1,056.2M at 30 September 2013 primarily due to the decrease in the non current portion of interest bearing loans and borrowings of US$5.1M. This is mainly attributable to the repayment of project financing for KM of US$10.0M, offset by the accretion relating to convertible bonds.

Segment Disclosure (refer to Note 4 in the Financial Statements)

In the Statement of Financial Position as at 30 September 2013, the Group reflected a decrease in assets for the Namibian segment in the period predominantly due to a decrease in trade and other receivables, which was partially offset by an increase in inventory. For the Malawian segment, assets have decreased as a result of the inventory impairment and a decrease in cash. The Exploration segment has predominantly increased due to the weakening of the US dollar against the Australian and Canadian dollars, which has resulted in an increase in the US dollar value of exploration assets within Australian and Canadian dollar functional currency subsidiaries. There has also been additional capitalised exploration expenditure of US$1.7M. In the Unallocated portion, the Group reflected an increase in assets predominantly due to an increase in cash from the share placement.

SUMMARISED STATEMENT OF CHANGES IN EQUITY	**THREE MONTHS ENDED 30 SEPTEMBER**	
	2013 US$M	**2012 US$M**
Total equity at the beginning of the financial period	648.2	1,194.8
Total comprehensive loss for the period	(26.6)	(27.1)
Recognised value of unlisted performance share rights	(0.8)	1.6
Contributions of equity, net of transaction costs	78.2	-
Total equity at the end of the financial period	**699.0**	**1,169.3**

Total Comprehensive Loss for the Period Ended 30 September 2013 is discussed under the Statement of Comprehensive Income section.

Recognised Value of Unlisted Performance Rights in 2013 totals US$(0.8)M due to the reversal of US$1.1M relating to the lapse and subsequent cancellation of share rights due to non-satisfaction of performance conditions relating to earnings per share targets (2012: US$1.6M). During the quarter 566,095 performance share rights vested (2012: 1,180,361). No performance rights were granted (2012: nil).

Contributions of Equity in 2013 of US$78.2M relates to the share placement of 125.6M shares at A$0.70 each. The number of fully paid ordinary shares on issue at 30 September 2013 is 963,332,074, an increase of 126,144,266 during the quarter. Performance rights of 1,952,575 remain outstanding at 30 September 2013 to the employees and consultants directly engaged in corporate, mine construction, operations, exploration and evaluation work.

SUMMARISED STATEMENT OF CASH FLOWS	**THREE MONTHS ENDED 30 SEPTEMBER 2013 US$M**	**2012 US$M**
Net cash inflow from operating activities	3.4	54.8
Net cash outflow from investing activities	(13.0)	(12.7)
Net cash inflow/(outflow) from financing activities	56.3	(10.4)
Net increase in cash and cash equivalents	46.7	31.7
Cash and cash equivalents at the beginning of period	78.1	112.1
Effects of exchange rate changes on cash and cash equivalents	0.2	0.5
Cash and cash equivalents at the end of the period	**125.0**	**144.3**

Net Cash Inflow from Operating Activities was US$3.4M in 2013 (2012: net cash inflow US$54.8M), primarily due to receipts from customers of US$99.6M (2012: US$105.9M) and in 2012 the receipt of the long-term off-take agreement funds of US$50.0M. This was partially offset by payments to suppliers and employees of US$94.2M (2012: US$96.4M). The LHM and KM operations generated US$1.8M in cash in 2013 before investment in working capital required to support higher production levels and payments for administration, marketing and site non-production costs of US$19.2M. The remaining expenditure was US$0.4M for exploration (2012: US$0.5M) and net interest paid of US$1.6M (2012: US$4.2M).

Net Cash Outflow from Investing Activities was US$13.0M in 2013 and is due primarily to plant and equipment acquisitions of US$11.7M, predominantly the new tailings facility at LHM and nano filtration equipment and tailings pipeline at KM, and additionally capitalised exploration expenditure of US$1.7M. Exploration expenditure in foreseeable periods will be lower. The net cash outflow of US$12.7M in 2012 was due primarily to plant and equipment acquisitions of US$7.4M, predominantly the new tailings facility at LHM, and capitalised exploration expenditure of US$5.3M.

Net Cash Inflow from Financing Activities of US$56.3M in 2013 is mainly attributable to the net proceeds received from the share placement of US$78.2M which has been partially offset by the repayment of project financing for KM of US$10.0M and LHM of US$11.9M. The net outflow in 2012 of US$10.4M was mainly attributable to the repayment of project financing for KM of US$10.0M.

Effect of Exchange Rate Changes on cash balances is a gain of US$0.2M for 2013.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 30 September 2013 was cash of US$125.0M (30 June 2013: US$78.1M). Any cash available to be invested is held with Australian banks with a minimum AA- Standard & Poor's credit rating over a range of maturities. Of this, US$104.3M is held in US dollars.

The Group's principal sources of cash for the quarter ended 30 September 2013 were uranium sales receipts of US$99.6M and net proceeds received from the August 2013 share placement of US$78.2M.

The amount outstanding at 30 September 2013 on the LHM project finance facility was US$89.6M and for the KM project finance facility, US$58.1M.

The Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the three months ended 30 September 2013, the Group incurred net losses after tax attributable to the members of US$40.0M (2012: US$45.9M) and had net cash inflow of US$46.7M (2012: inflow US$31.7M). At balance date, the Group had a net working capital surplus of US$215.6M (30 June 2013: US$193.0M) including cash on hand of US$125.0M (30 June 2013: US$78.1M). Included within this cash on hand is US$25.6M (30 June 2013: US$25.7M), which is restricted for use in respect of the LHM and KM project finance facilities.

Repayment obligations, during the next nine months to 30 June 2014, in respect of interest bearing loans and borrowings are summarised as follows:

- Secured bank loans principal repayments of US$43.8M for LHM and KM project financing; and
- Interest payments of US$30.7M for LHM and KM project financing and convertible bonds.

In addition, in arriving at its position in relation to going concern, the Directors have given consideration to the following:

- Intention to sell a minority equity position in Langer Heinrich Mine in Namibia;
- The Group has a history of refinancing some of its debt; and
- The Group has a history of successful equity capital raisings.

The following is a summary of the Group's outstanding commitments as at 30 September 2013:

Payments due by period	**Total US$M**	**Less than 1 yr US$M**	**1 to 5yrs US$M**	**5yrs+ or Unknown US$M**
Tenements	31.9	1.1	5.7	25.1
Operating leases	3.3	1.4	1.9	-
Mining, transport and reagents	44.3	42.2	2.1	-
Oobagooma acquisition costs	0.3	0.3	-	-
Manyingee acquisition costs	0.7	-	-	0.7
Total commitments	**80.5**	**45.0**	**9.7**	**25.8**

(All figures are in US dollars unless otherwise indicated)

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A$0.75M (US$0.70M) by the Group to the vendors when all project development approvals are obtained.

The Group has no other material off balance sheet arrangements.

OUTSTANDING SHARE INFORMATION

As at 14 November 2013 Paladin had 963,332,074 fully paid ordinary shares issued. The following table sets out the fully paid ordinary shares and those issuable under the Group Employee Performance Share Rights Plan and in relation to the Convertible Bonds:

As at 14 November 2013	Number
Ordinary shares	963,332,074
Issuable under Employee Performance Share Rights Plan	1,700,325
Issuable in relation to the US$300 million Convertible Bonds	55,524,708
Issuable in relation to the US$274 million Convertible Bonds	129,919,393
Total	**1,150,476,500**

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the following: carrying value or impairment of inventories, financial investments, property, plant and equipment, intangibles, mineral properties and deferred tax assets; carrying value of rehabilitation, mine closure, sales contracts provisions and deferred tax liabilities; and the calculation of share-based payments.

FINANCIAL INSTRUMENTS

At 30 September 2013, the Group has exposure to interest rate risk, which is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate project finance debt or opportunity losses that may arise on fixed rate convertible bonds in a falling interest rate environment. Interest rate risk on cash and short-term deposits is not considered to be a material risk due to the historically low US dollar interest rates of these financial instruments.

The Group has no significant monetary foreign currency assets and liabilities apart from Namibian Dollar and Malawi Kwacha cash, receivables, payables and provisions and Australian dollar cash, payables and Canadian payables.

The Group currently does not engage in any hedging or derivative transactions to manage uranium price movements, interest rate or foreign currency risks.

The Group's credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. The Group trades only with recognised, credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not material.

The Group's treasury function is responsible for the Group's capital management, including management of the long-term debt and cash as part of the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. To ensure sufficient funding for operational expenditure and growth activities, a range of assumptions are modelled so as to provide the flexibility in determining the Group's optimal future capital structure.

OTHER RISKS AND UNCERTAINTIES

Risk Factors

The Group is subject to other risks that are outlined in the Annual Information Form 51-102F2 which is available on SEDAR at sedar.com

TRANSACTIONS WITH RELATED PARTIES

During the three months ended 30 September 2013 no payments were made to Director related entities. Directors of the Company receive compensation based on their personal contracts.

DISCLOSURE CONTROLS

The Group has applied its Disclosure Control Policy to the preparation of the Consolidated Financial Report for the three months ended 30 September 2013, associated Management Discussion and Analysis and Report to Shareholders. An evaluation of the Group's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

INTERNAL CONTROLS

The Group has designed appropriate Internal Controls Over Financial Reporting (ICFR) and ensured that these were in place for the three months ended 30 September 2013. An evaluation of the design of ICFR has concluded that it is adequate to prevent a material misstatement of the Group's Consolidated Financial Report as at 30 September 2013.

During the year the Group continued to have an internal audit function externally contracted to Deloitte Touche Tohmatsu. Internal audit reports and follow-up reviews were completed during the year and the Group continues to address their recommendations. The resultant changes to the internal controls over financial reporting have improved and will continue to improve the Group's framework of internal control in relation to financial reporting.

SUBSEQUENT EVENTS

Since the end of the three month period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
EXPRESSED IN US DOLLARS

	Notes	Three months ended 30 September 2013 US$M	2012 US$M
Revenue			
Revenue	5(a)	69.4	61.3
Cost of sales	5(b)	(72.3)	(57.0)
Impairment – inventory and stores and consumables		(12.0)	(2.6)
Gross (loss)/profit		(14.9)	1.7
Other income	5(c)	0.4	1.2
Exploration and evaluation expenses	13	(0.4)	(0.5)
Administration, marketing and non-production costs	5(d)	(6.3)	(9.8)
Other expenses	5(e)	(9.3)	(45.0)
Loss before interest and tax		(30.5)	(52.4)
Finance costs	5(f)	(14.2)	(17.0)
Net loss before income tax		**(44.7)**	**(69.4)**
Income tax benefit	6	0.9	18.2
Net loss after tax		**(43.8)**	**(51.2)**
Attributable to:			
Non-controlling interests		(3.8)	(5.3)
Members of the parent		(40.0)	(45.9)
Net loss after tax		**(43.8)**	**(51.2)**
Loss per share (US cents)			
Loss after tax from operations attributable to ordinary equity holders of the Company – basic and diluted (US cents)		(4.3)	(5.5)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN US DOLLARS

	Three months ended 30 September 2013 US$M	Three months ended 30 September 2012 US$M
Net loss after tax from operations	**(43.8)**	**(51.2)**
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Transfer of realised gains to other income on disposal of available-for-sale financial assets	(0.3)	(0.8)
Net loss on available-for-sale financial assets	(3.2)	(0.8)
Transfer of impairment loss on available-for-sale financial assets to income statement	3.5	-
Foreign currency translation	15.6	23.7
Income tax on items of other comprehensive income	0.1	0.4
Items that will not be subsequently reclassified to profit or loss:		
Foreign currency translation attributable to non-controlling interests	1.5	1.6
Other comprehensive income for the period, net of tax	17.2	24.1
Total comprehensive loss for the period	**(26.6)**	**(27.1)**
Total comprehensive loss attributable to:		
Non-controlling interests	(2.4)	(3.7)
Members of the parent	(24.2)	(23.4)
	(26.6)	(27.1)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN US DOLLARS

	Notes	As at 30 September 2013 Unaudited US$M	As at 30 June 2013 Audited US$M
ASSETS			
Current assets			
Cash and cash equivalents	7	125.0	78.1
Trade and other receivables	8	47.5	78.3
Prepayments		9.6	9.2
Inventories	9	158.8	158.8
TOTAL CURRENT ASSETS		340.9	324.4
Non current assets			
Trade and other receivables	8	1.3	0.1
Inventories	9	149.4	141.4
Other financial assets	10	6.7	10.3
Property, plant and equipment	11	299.2	301.0
Mine development	12	43.7	42.8
Exploration and evaluation expenditure	13	1,026.6	1,004.9
Intangible assets	14	12.7	12.8
TOTAL NON CURRENT ASSETS		1,539.6	1,513.3
TOTAL ASSETS		1,880.5	1,837.7
LIABILITIES			
Current liabilities			
Trade and other payables		69.5	57.9
Interest bearing loans and borrowings	15	51.7	63.6
Provisions	16	4.1	9.9
TOTAL CURRENT LIABILITIES		125.3	131.4
Non current liabilities			
Interest bearing loans and borrowings	15	609.1	614.2
Deferred tax liabilities		189.0	186.9
Provisions	16	58.1	57.0
Unearned revenue	17	200.0	200.0
TOTAL NON CURRENT LIABILITIES		1,056.2	1,058.1
TOTAL LIABILITIES		1,181.5	1,189.5
NET ASSETS		**699.0**	**648.2**
EQUITY			
Contributed equity	18(a)	1,925.8	1,845.7
Reserves		119.6	106.6
Accumulated losses		(1,335.5)	(1,295.5)
Parent interests		709.9	656.8
Non-controlling interests		(10.9)	(8.6)
TOTAL EQUITY		**699.0**	**648.2**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS

	Contributed Equity US$M	Available -for-Sale Reserve US$M	Share-Based Payments Reserve US$M	Convertible Bond Non-Distrib-utable Reserve US$M	Foreign Currency Revaluation Reserve US$M	Premium on Acquisition Reserve US$M	Option Application Reserve US$M	Consol-idated Reserve US$M	Accumu-lated Losses US$M	Attributable to Owners of the Parent US$M	Non-Controlling Interests US$M	Total US$M
Balance at 1 July 2012	**1,839.2**	**(2.8)**	**52.2**	**85.5**	**28.1**	**14.9**	**0.1**	**(0.2)**	**(874.6)**	**1,142.4**	**52.4**	**1,194.8**
Loss for the period	-	-	-	-	-	-	-	-	(45.9)	(45.9)	(5.3)	(51.2)
Other comprehensive loss	-	(1.3)	-	-	23.8	-	-	-	-	22.5	1.6	24.1
Total comprehensive loss for the period net of tax	-	(1.3)	-	-	23.8	-	-	-	(45.9)	(23.4)	(3.7)	(27.1)
Share-based payment	-	-	1.6	-	-	-	-	-	-	1.6	-	1.6
Vesting performance rights	4.3	-	(4.3)	-	-	-	-	-	-	-	-	-
Balance at 30 September 2012	**1,843.5**	**(4.1)**	**49.5**	**85.5**	**51.9**	**14.9**	**0.1**	**(0.2)**	**(920.5)**	**1,120.6**	**48.7**	**1,169.3**
Balance at 1 July 2013	**1,845.7**	**(4.2)**	**50.2**	**85.5**	**(39.7)**	**14.9**	**0.1**	**(0.2)**	**(1,295.5)**	**656.8**	**(8.6)**	**648.2**
Loss for the period	-	-	-	-	-	-	-	-	(40.0)	(40.0)	(3.8)	(43.8)
Other comprehensive income	-	0.1	-	-	15.6	-	-	-	-	15.7	1.5	17.2
Total comprehensive loss for the period net of tax	-	0.1	-	-	15.6	-	-	-	(40.0)	(24.3)	(2.3)	(26.6)
Contributions of equity, net of transaction costs	78.2	-	-	-	-	-	-	-	-	78.2	-	78.2
Share-based payment	-	-	(0.8)	-	-	-	-	-	-	(0.8)	-	(0.8)
Vesting performance rights	1.9	-	(1.9)	-	-	-	-	-	-	-	-	-
Balance at 30 September 2013	**1,925.8**	**(4.1)**	**47.5**	**85.5**	**(24.1)**	**14.9**	**0.1**	**(0.2)**	**(1,335.5)**	**709.9**	**(10.9)**	**699.0**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN US DOLLARS

	Three months ended 30 September 2013 US$M	Three months ended 30 September 2012 US$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	99.6	105.9
Payments to suppliers and employees	(94.2)	(96.4)
Interest received	0.1	0.2
Proceeds from long-term off-take agreement	-	50.0
Interest paid	(1.7)	(4.4)
Exploration and evaluation expenditure	(0.4)	(0.5)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**3.4**	**54.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalised exploration expenditure	(1.7)	(5.3)
Payments for property, plant and equipment	(11.7)	(7.4)
Payments for available-for-sale investments	-	(1.4)
Proceeds from sale of investments	0.4	1.4
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(13.0)**	**(12.7)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Convertible bond finance costs	-	(0.4)
Share placement	80.6	-
Equity fundraising costs	(2.4)	-
Repayment of borrowings	(21.9)	(10.0)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**56.3**	**(10.4)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**46.7**	**31.7**
Cash and cash equivalents at the beginning of the period	78.1	112.1
Effects of exchange rate changes on cash and cash equivalents	0.2	0.5
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**125.0**	**144.3**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1. CORPORATE INFORMATION

The Interim Financial Report of the Group for the three months ended 30 September 2013 was authorised for issue in accordance with a resolution of the Directors on 8 November 2013.

Paladin Energy Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the ASX with additional listings on the Toronto Stock Exchange in Canada; as well as the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The nature of the operations and principal activities of the Group are described in the Management Discussion and Analysis on pages 3 to 16.

NOTE 2. GOING CONCERN

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the three months ended 30 September 2013, the Group incurred net losses after tax attributable to the members of US$40.0M (2012: US$45.9M) and had net cash inflow of US$46.7M (2012: inflow US$31.7M). At balance date the Group had a net working capital surplus of US$215.6M (30 June 2013: US$193.0M) including cash on hand of US$125.0M (30 June 2013: US$78.1M). Included within this cash on hand is US$25.6M (30 June 2013: US$25.7M) which is restricted for use in respect of the LHM and KM project finance facilities.

Repayment obligations, during the next 9 months to 30 June 2014, in respect of interest bearing loans and borrowings are summarised as follows:

- Secured bank loans principal repayments of US$43.8M for LHM and KM project financing; and
- Interest payments of US$30.7M for LHM and KM project financing and convertible bonds.

In addition, in arriving at its position in relation to going concern, the Directors have given consideration to the following:

- Intention to sell a minority equity position in Langer Heinrich Mine in Namibia;
- The Group has a history of refinancing some of its debt; and
- The Group has a history of successful equity capital raisings.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the three months ended 30 September 2013 has been prepared in accordance with Australian Accounting Standards Board ("AASB") 134 *Interim Financial Reporting,* International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Act.

In addition to these requirements further information has been included in the Consolidated Financial Statements for the three months ended 30 September 2013 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Paladin during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The financial report is presented in United States dollars and all values are rounded to the nearest hundred thousand dollars (US$100,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission ("ASIC") Class Order 98/100. The Company is an entity to which the class orders applies.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

New and amended accounting standards and interpretations

From 1 July 2013 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2013.

The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the Group.

The Group has not elected to early adopt any new accounting standards and interpretations.

New standards adopted by the Group include:

<u>IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements</u>
IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the pats of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with the consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over the investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

<u>IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures</u>
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Joint-controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. IFRS 11 has had no impact on the financial position of the Group.

NOTE 4. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments to be Exploration, Namibia and Malawi, on the basis of the nature of the activity and geographical location and different regulatory environments. The main segment activity in Namibia and Malawi is the production and sale of uranium from the mines located in these geographic regions. The Exploration segment is focused on developing exploration and evaluation projects in Australia, Niger and Canada. The Unallocated portion covers the Group's sales and marketing, treasury, corporate and administration.

Discrete financial information about each of these operating segments is reported to the Group's executive management team (chief operating decision makers) on at least a monthly basis.

The accounting policies used by the Group in reporting segments internally are the same as those used in the prior period.

Inter-entity sales are priced with reference to the spot rate.

Corporate charges comprise non-segmental expenses such as corporate office expenses. A proportion of the corporate charges are allocated to Namibia and Malawi on the basis of timesheet allocations with the balance remaining in Unallocated.

The following items are not allocated to segments as they are not considered part of the core operations of any segment:

- Interest revenue.
- Non project finance interest and borrowing expense.
- Unallocated corporate and labour costs.

The Group's customers are major utilities and other entities located mainly in North America, Australia, Asia and Europe. These revenues are attributed the geographic location of the mines being the reporting segments Namibia and Malawi.

NOTE 4. SEGMENT INFORMATION (continued)

The following tables present revenue, expenditure and asset information regarding operating segments for the three months ended 30 September 2013 and 30 September 2012.

Three months ended 30 September 2013	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	36.5	32.7	-	69.2
Other revenue	-	-	-	0.2	0.2
Total consolidated revenue	-	36.5	32.7	0.2	69.4
Cost of goods sold	-	(34.2)	(38.1)	-	(72.3)
Impairment of inventory	-	-	(12.0)	-	(12.0)
Gross Profit/(Loss)	-	2.3	(17.4)	0.2	(14.9)
Other expenses	(0.3)	(2.1)	(5.8)	(3.9)	(12.1)
Impairment of asset	-	-	-	(3.5)	(3.5)
Segment (loss)/profit before income tax and finance costs	(0.3)	0.2	(23.2)	(7.2)	(30.5)
Finance costs	-	(1.4)	(1.4)	(11.4)	(14.2)
Loss before income tax	(0.3)	(1.2)	(24.6)	(18.6)	(44.7)
Income tax benefit/(expense)	0.1	2.2	-	(1.4)	0.9
(Loss)/profit after income tax	(0.2)	1.0	(24.6)	(20.0)	(43.8)
At 30 September 2013					
Segment assets/total assets	1,031.1	632.6	110.6	106.2	1,880.5

Three months ended 30 September 2012	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	31.6	29.4	-	61.0
Other revenue	-	-	-	0.3	0.3
Inter segment sales	-	9.9	4.9	-	14.8
Total segment revenue	-	41.5	34.3	0.3	76.1
Elimination of inter segment sales	-	(9.9)	(4.9)	-	(14.8)
Total consolidated revenue	-	31.6	29.4	0.3	61.3
Cost of goods sold	-	(25.0)	(32.0)	-	(57.0)
Impairment of inventory	-	-	(2.6)	-	(2.6)
Gross Profit/(Loss)	-	6.6	(5.2)	0.3	1.7
Other expenses	(0.2)	(1.3)	(4.5)	(7.0)	(13.0)
Impairment of asset	-	-	(41.1)	-	(41.1)
Segment (loss)/profit before income tax and finance costs	(0.2)	5.3	(50.8)	(6.7)	(52.4)
Finance costs	-	(2.0)	(1.7)	(13.3)	(17.0)
(Loss)/profit before income tax	(0.2)	3.3	(52.5)	(20.0)	(69.4)
Income tax benefit	0.1	5.1	13.3	(0.3)	18.2
(Loss)/profit after income tax	(0.1)	8.4	(39.2)	(20.3)	(51.2)
At 30 June 2013					
Segment assets/total assets	1,009.3	639.1	140.2	49.1	1,837.7

NOTE 5. REVENUE AND EXPENSES

	Three months ended 30 September	
	2013 US$M	**2012 US$M**
(a) Revenue		
Sale of uranium	69.2	61.0
Interest income from non-related parties	0.2	0.2
Other revenue	-	0.1
Total	**69.4**	**61.3**
(b) Cost of Sales		
Production costs before depreciation and amortisation	(60.5)	(53.0)
Depreciation and amortisation	(14.7)	(10.0)
Impairment loss reversed on sale of inventory	8.5	10.4
Product distribution costs	(3.6)	(2.5)
Royalties	(2.0)	(1.9)
Total	**(72.3)**	**(57.0)**
(c) Other Income		
Gain on disposal of available-for-sale investments	0.4	1.2
Total	**0.4**	**1.2**
(d) Administration, Marketing and Non-Production Costs		
Corporate and marketing	(3.9)	(4.9)
Restructure costs	(0.1)	-
Mine sites (LHM & KM)	(1.8)	(1.9)
Canadian operations	(0.1)	(0.4)
Non-cash – share-based payments	0.6	(1.6)
Non-cash – depreciation	(0.4)	(0.5)
LHM Stage 4 expansion study	(0.6)	(0.2)
KM research and development	-	(0.3)
Total	**(6.3)**	**(9.8)**
(e) Other Expenses		
Impairment for available-for-sale financial assets	(3.5)	-
KM fixed costs during plant shutdown	(4.2)	(2.3)
Impairment of asset [1]	-	(41.1)
KM Slope remediation	-	(0.1)
Foreign exchange loss (net)	(1.6)	(1.5)
Total	**(9.3)**	**(45.0)**

[1] September 2012 - the continued deterioration of the uranium price has resulted in a reduction of the carrying value to the recoverable amount of US$254.1M of the KM assets from US$295.2M resulting in an impairment charge of US$41.1M (2013: US$Nil).

NOTE 5. REVENUES AND EXPENSES (continued)

	Three months ended 30 September 2013 US$M	2012 US$M
(f) Finance Costs		
Interest expense	(8.8)	(10.4)
Accretion relating to convertible bonds (non-cash)	(4.4)	(4.4)
Mine closure provision discount interest expense	(0.5)	(0.6)
Facility costs	(0.5)	(1.6)
Total	**(14.2)**	**(17.0)**

NOTE 6. INCOME TAX

Reconciliation of accounting loss to income tax benefit

	Three months ended 30 September 2013 US$M	2012 US$M
Loss before income tax	44.7	69.4
Tax at the Australian rate of 30% (2012 – 30%)	13.4	20.8
Tax effect of amounts which are non-deductible/(taxable) in calculating taxable income:		
Share-based payments	0.2	(0.4)
Permanent foreign exchange differences	6.3	14.7
Other expenditure (deductible)/not allowable	0.7	1.1
	20.6	36.2
Difference in overseas tax rates	(0.3)	(1.3)
Under/over prior year adjustment	3.3	7.7
Losses not (derecognised)/recognised	(22.2)	(9.0)
Other foreign exchange differences	5.6	(15.0)
Convertible bonds	-	(1.1)
Losses previously not recognised now recognised	0.8	0.6
Other – movement in deferred tax assets in Australia	(6.9)	0.1
Income tax benefit reported in Income Statement	**0.9**	**18.2**

NOTE 7. CASH AND CASH EQUIVALENTS

	30 September 2013 US$M	30 June 2012 US$M
Cash at bank and on hand	14.4	9.8
Short-term bank deposits	110.6	68.3
Total cash and cash equivalents	**125.0**	**78.1**

Total cash and cash equivalents includes US$25.6M (30 June 2013: US$25.7M) restricted for use in respect of the LHM and KM project finance facilities (refer to Note 15).

NOTE 8. TRADE AND OTHER RECEIVABLES

	30 September 2013 US$M	30 June 2012 US$M
Current		
Trade receivables	30.1	60.4
GST and VAT	12.7	13.5
Sundry debtors	4.7	4.4
Total current receivables	**47.5**	**78.3**
Non Current		
Sundry debtors	1.3	0.1
Total non current receivables	**1.3**	**0.1**

NOTE 9. INVENTORIES

	30 September 2013 US$M	30 June 2012 US$M
Current		
Stores and consumables (at cost)	34.3	33.5
Stockpiles (at cost)	1.8	2.0
Work-in-progress (at cost)	2.6	2.3
Work-in-progress (at net realisable value)	9.7	11.4
Finished goods (at cost)	72.8	57.5
Finished goods (at net realisable value)	37.6	52.1
Total current inventories at the lower of cost and net realisable value	**158.8**	**158.8**
Non Current		
Stockpiles (at cost)	149.4	141.4
Total non current inventories at the lower of cost and net realisable value	**149.4**	**141.4**

Stockpiles at LHM that are unlikely to be processed within 12 months of the balance date.

NOTE 10. OTHER FINANCIAL ASSETS

	30 September 2013 US$M	30 June 2013 US$M
Non Current		
Available-for-sale financial assets	6.7	10.3
Total non current other financial assets	**6.7**	**10.3**

Available-for-Sale Financial Assets

The Group has an investment in DYL and at 30 September 2013 held 304,400,275 (30 June 2013: 304,400,275) fully paid ordinary shares.

The holding of these fully paid ordinary shares represents a 19.5% interest at 30 September 2013 (30 June 2013: 19.5%) of the ordinary shares of DYL, a uranium explorer listed on ASX. The market value of the shares in DYL at 30 September 2013 is A$6.1M (US$5.7M) (30 June 2013: A$10.0M / US$9.2M) based on a share price of 2.0 Australian cents per share (30 June 2013: 3.3 Australian cents).

The Group also holds minor investments in other companies.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	30 September 2013 US$M	30 June 2013 US$M
Plant and equipment – at cost (1)	705.1	704.8
Less accumulated depreciation and impairment	(419.3)	(414.5)
Net carrying value plant and equipment	285.8	290.3
Land and buildings - at cost (2)	11.5	11.4
Less accumulated depreciation	(2.3)	(2.2)
Net carrying value land and buildings	9.2	9.2
Construction work in progress – at cost (3)	11.8	4.3
Less impairment	(7.6)	(2.8)
Net carrying value construction work in progress	4.2	1.5
Net carrying value property, plant and equipment	**299.2**	**301.0**

(1) Includes additions of US$0.3M (30 June 2013: US$24.9M)
(2) Includes additions of US$Nil (30 June 2013: US$Nil)
(3) Includes additions of US$7.6M (30 June 2013: US$9.5M)

NOTE 12. MINE DEVELOPMENT

	30 September 2013 US$M	30 June 2013 US$M
Mine development – at cost [1]	189.5	185.1
Less accumulated depreciation and impairment	(145.8)	(142.3)
Net carrying value – mine development	**43.7**	**42.8**

(1) Includes additions of US$4.0M (30 June 2013: US$13.9M)

NOTE 13. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the three months ended 30 September 2013:

Areas of interest	**Valhalla /Skal** US$M	**Isa North** US$M	**Fusion** US$M	**Angela Pamela** US$M	**Bigrlyi** US$M	**Niger** US$M	**KM** US$M	**LHM** US$M	**Canada** US$M	**Other Uranium Projects** US$M	**Total** US$M
Balance 30 June 2013	576.1	137.7	10.9	-	10.0	-	-	-	261.7	8.5	1,004.9
Project exploration and evaluation expenditure											
Labour	-	-	-	-	-	0.1	-	-	0.8	0.1	1.0
Outside services	-	-	-	-	-	-	-	-	0.1	-	0.1
Other expenses	0.1	0.1	-	-	-	0.1	0.1	-	0.5	0.1	1.0
Total expenditure	0.1	0.1	-	-	-	0.2	0.1	-	1.4	0.2	2.1
Expenditure expensed	-	-	-	-	-	(0.2)	(0.1)	-	-	(0.1)	(0.4)
Expenditure capitalised	**0.1**	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**1.4**	**0.1**	**1.7**
Foreign exchange differences	11.2	2.8	0.2	-	0.2	-	-	-	5.4	0.2	20.0
Balance 30 September 2013	**587.4**	**140.6**	**11.1**	**-**	**10.2**	**-**	**-**	**-**	**268.5**	**8.8**	**1,026.6**

(1) Summit has a 50% interest in the Valhalla/Skal Projects with the other 50% interest held by the Paladin Group. As a consequence of the takeover of the Summit Group, the above table now reflects 100% of the Valhalla/Skal Projects with the non-controlling interest reflected on the face of the Statement of Financial Position.

NOTE 14. INTANGIBLE ASSETS

	30 September 2013 US$M	30 June 2013 US$M
At 30 June		
Intangible assets – at cost	27.8	27.8
Less accumulated depreciation and impairment	(15.1)	(15.0)
Net carrying value – intangible assets	**12.7**	**12.8**

NOTE 15. INTEREST BEARING LOANS AND BORROWINGS

Current	**Maturity**		
Secured bank loans		51.7	63.6
Total current interest bearing loans and borrowings		**51.7**	**63.6**
Non Current			
Unsecured convertible bonds[1]	2015	278.4	276.0
Unsecured convertible bonds[2]	2017	238.6	236.6
Secured bank loan	amortised to 2015	27.5	37.0
Secured bank loan	amortised to 2017	64.6	64.6
Total non current interest bearing loans and borrowings		**609.1**	**614.2**

The above figures include transaction costs which offset the balance in accordance with the requirements of Accounting Standards.

Unsecured convertible bonds

(1) On the 5 November 2010, the Company issued US$300M in convertible bonds with a coupon rate of 3.625%, (underlying effective interest rate of 7.47%) maturing on 5 November 2015 with a conversion price of US$5.403, for Company shares.

(2) On 30 April 2012, the Company issued US$274M in convertible bonds with a coupon rate of 6% (underlying effective interest rate of 10.68%) maturing on 30 April 2017 with a conversion price of US$2.109 for Company shares.

Pursuant to the terms of the Bonds the prevailing Conversion Price is subject to adjustment where any new issue of shares is at less than 95% of the Current Market Price. Following the completion of the Placement on 12 August 2013, the Conversion Prices have been adjusted as follows:

- Convertible bonds due 2015: US$5.403 (previously US$5.608).
- Convertible bonds due 2017: US$2.109 (previously US$2.19).

In disclosing the convertible bonds in the Consolidated Financial Statements, the Company has accounted for them in accordance with Australian Accounting Standards. Under these standards the convertible bonds consist of both a liability (underlying debt) and equity component (conversion rights into Company shares).

NOTE 15. INTEREST BEARING LOANS AND BORROWINGS (continued)

Secured bank loans

Kayelekera Mine, Malawi - US$167M Project Finance Facility
On 30 March 2009, the Group entered into a project financing facility of US$167M for the construction of KM. The project finance consists of a six year project finance facility of US$145M, a standby cost overrun facility of US$12M and a performance bond facility of US$10M. The facilities were provided by Société Générale Corporate and Investment Banking (as inter-creditor agent and commercial lender), Nedbank Capital a division of Nedbank Limited (ECIC lender) and Standard Bank Limited (as ECIC facility agent and lender). The facilities are secured over the assets of Paladin (Africa) Ltd. The completion test was satisfied on 25 March 2013. Post the completion test date, the commercial bank tranche bears interest at the London Interbank Offered Rate ("LIBOR") plus 2.5%. The ECIC tranche bears interest at LIBOR plus 2.5% whilst the cost overrun facility bears interest at LIBOR plus 3.5%. The facilities are repayable on a four monthly basis over the term of the loan. The Company has provided a guarantee as part of the facilities.

At 30 September 2013 US$58.1M (30 June 2013: US$68.1M) was outstanding under the KM project finance facility. A total of US$19.9M will be repaid in the 9 months to 30 June 2014.

Langer Heinrich Mine, Namibia - US$141M Stage 3 Project Finance Facility
On 26 August 2011 the Group entered into a project financing facility of US$141M for the construction of Stage 3 of LHM. The facility consists of a six-year US$135M project financing facility and a US$6M cost overrun facility. The facility was provided by Société Générale (as Agent), Nedbank Capital, Standard Bank Plc, Barclays Capital (the investment banking division of Barclays Bank PLC) and Rand Merchant Bank, a division of FirstRand Bank Limited. The facility was fully drawn down during the December 2011 quarter. The completion test was satisfied on 25 January 2013. Post the completion test date, the facility bears interest at the LIBOR plus 3.25%. The facilities are repayable on a six monthly basis over the term of the loan. The facilities are secured with fixed and floating charges over the assets of LHUPL and its immediate holding companies.

At 30 September 2013 US$89.6M (30 June 2013: US$101.5M) was outstanding under the LHM Stage 3 project finance facility. A total of US$23.8M will be repaid in the 9 months to 30 June 2014.

Transaction costs relating to the establishment of the facilities have been included as part of interest bearing loans and borrowings.

NOTE 16. PROVISIONS

	30 September 2013 US$M	30 June 2013 US$M
Current		
Employee benefits	4.1	9.9
Total current provisions	**4.1**	**9.9**
Non Current		
Employee benefits	3.2	3.0
Rehabilitation provision	53.1	52.3
Demobilisation provision	1.8	1.7
Total non current provisions	**58.1**	**57.0**

NOTE 17. UNEARNED REVENUE

	30 September 2013 US$M	30 June 2013 US$M
Non Current		
Unearned revenue	200.0	200.0
Total unearned revenue	**200.0**	**200.0**

Total prepayment of US$200M under a six year off-take agreement with EdF, a major electricity generator and distribution company in France, to deliver a total of 13.73Mlb U_3O_8 in the period from 2019 to 2024. Uranium delivered under the off-take agreement will be sold to EdF at market prices prevailing at the time of delivery bounded by escalating floor and ceiling prices.

To secure the Company's obligation to deliver product representing the prepayment amount, EdF holds security over 60.1% of the Group's Michelin project in Canada. The percentage of Michelin secured will be reduced by joint agreement as the value of that project is enhanced by the Group's ongoing work. The Michelin security can also be replaced by other appropriate security if required.

NOTE 18. CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	Number of Shares 30 September 2013	Number of Shares 30 June 2013	30 September 2013 US$M	30 June 2013 US$M
Ordinary shares				
Issued and fully paid	963,332,074	837,187,808	1,925.8	1,845.7

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in Ordinary Shares On Issue

		Number of Shares	Issue Price A$	Exchange Rate US$: A$	Total US$M
Balance 30 June 2012		835,645,290			1,839.2
September 2012	Rights vested	1,180,361	-	-	-
February 2012	Rights vested	143,635	-	-	-
March 2013	Rights vested	218,522	-	-	-
	Transfer from share-based payments reserves				6.5
Balance 30 June 2013		**837,187,808**(1)			**1,845.7**

(1) Includes 43,134 shares held by Paladin Employee Plan Pty Ltd.

NOTE 18. CONTRIBUTED EQUITY (continued)

(b) Movements in Ordinary Shares on Issue

		Number of Shares	Issue Price A$	Exchange Rate US$: A$	Total US$M
Balance 30 June 2013		837,187,808			1,845.7
August 2013	Share Placement	125,578,171	0.70	1.08998	80.6
September 2013	Rights vested	566,095	-	-	-
	Transfer from share-based payments reserves				1.9
	Transaction costs				(2.4)
Balance 30 September 2013		**963,332,074**(1)			**1,925.8**

(1) Includes 43,584 shares held by Paladin Employee Plan Pty Ltd.

(c) Performance Share Rights

Issued unlisted employee share rights outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Group are as follows:

	30 September 2013 Number	30 June 2013 Number
Number of unlisted employee share rights	1,952,575	3,358,957

Consisting of the following:

Date rights granted	Vesting date	Vesting performance conditions	Number
26 March 2010	26 March 2014	Relative total shareholder return	150,000
5 November 2010	5 November 2013	Relative total shareholder return	250,000
5 November 2010	5 November 2013	Earnings per share	250,000
15 February 2011	15 February 2014	Time based	125,650
2 April 2012	31 December 2013	Time based	20,000
2 April 2012	1 September 2014	Time based	418,975
2 April 2012	1 September 2014	Relative total shareholder return	295,180
2 April 2012	1 September 2014	Market price	442,770
Total			**1,952,575**

NOTE 19. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 30 September 2013 other than:

(a) Tenements

	30 September 2013 US$M	30 June 2013 US$M
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	1.1	1.0
Later than one year but not later than 5 years	5.7	6.0
More than 5 years	25.1	24.6
Total tenements commitment	**31.9**	**31.6**

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Namibian, Malawian, Canadian, Western Australian, South Australian, Northern Territorian and Queensland Mines Departments attaching to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made.

These are necessary in order to maintain the tenements in which the Group and other parties are involved. All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Namibia, Malawi, Australia and Canada.

(b) Operating Lease Commitments

The Group has entered into various property leases relating to rental of offices and residential accommodation.

These non-cancellable leases have remaining terms of between 1 month and 6 years. All leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases as at 30 September are as follows:

	30 September 2013 US$M	30 June 2013 US$M
Within one year	1.4	1.4
Later than one year but not later than 5 years	1.9	2.2
More than 5 years	-	-
Total operating lease commitment	**3.3**	**3.6**

NOTE 19. COMMITMENTS AND CONTINGENCIES (continued)

(c) Other Commitments

Commitments for mining, transport and reagents contracted for at the reporting date but not recognised as liabilities, payable:

	30 September 2013 US$M	30 June 2013 US$M
Within one year	42.2	50.5
Later than one year but not later than 5 years	2.1	2.0
More than 5 years	-	-
Total other commitment	**44.3**	**52.5**

(d) Acquisition Costs

In 1998 Paladin acquired a call option in relation to the purchase of Oobagooma from Afmeco Mining and Exploration Pty Ltd, which at the time was a subsidiary of AREVA Resources Australia Pty Ltd (AREVA Australia). This arrangement was recently varied so that Paladin Energy Minerals NL is now the applicant and will, upon the anticipated grant, hold the exploration licence directly. Recent changes to the Mining Act 1978 (WA) now permit the grant of tenements within the Yampi Sound Defence Training Area and Paladin Energy Minerals holds a first ranking application. In accordance with the revised terms of the agreement with AREVA Australia, Paladin has paid A$375,000 / US$0.3M to AREVA Australia with a further A$375,000 / US$0.3M to be paid on final grant of the tenement.

In relation to the Manyingee Uranium Project, the re-negotiated acquisition terms provide for a payment of A$0.75M / (US$0.70M) (30 June 2013: A$0.75M (US$0.68M)) by the Group to the vendors when all project development approvals are obtained.

(e) Bank Guarantees

As at 30 September 2013 the Group has outstanding US$978,142 / (A$1,050,387) (30 June 2013: US$959,302 / A$1,050,387) as a current guarantee provided by a bank for the corporate office lease, a US$237,466 / (A$255,005) (30 June 2013: US$219,193 / A$240,005) guarantee for tenements and a US$10M (30 June 2013: US$10M) KM environmental performance guarantee.

(f) Contingent Liability

A dispute has arisen between a Group company and a contractor in relation to the contract for the Stage 3 expansion at LHM. The contractor is seeking payment of the disputed sum of ZAR235M, which is approximately US$24M. The Group denies the claim and will vigorously defend it. The Group is also counterclaiming damages from the contractor and cross-claiming from another contractor. The precise quantum of the counter-claim and cross claim has not yet been established but is expected to exceed the contractor’s claim.

NOTE 20. FINANCIAL INSTRUMENTS

Risk Management Activities

The risk management activities are consistent with those of the previous financial year unless otherwise stated.

Financial Instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group:

	As at 30 September 2013 Unaudited US$M	As at 30 June 2013 Audited US$M
Financial assets:		
Trade and other receivables – at amortised cost	47.5	78.3
Total current	**47.5**	**78.3**
Trade and other receivables - at amortised cost	1.3	0.1
Available-for-sale financial assets - at fair value	6.7	10.3
Total non-current	**8.0**	**10.4**
Total	**55.5**	**88.7**
Financial liabilities:		
Trade and other payables - at amortised cost	69.5	57.9
Interest bearing loans and borrowings - at amortised cost	51.7	63.6
Total current	**121.2**	**121.5**
Interest bearing loans and borrowings - at amortised cost	609.1	614.2
Total non-current	**609.1**	**614.2**
Total	**730.3**	**735.7**

NOTE 20. FINANCIAL INSTRUMENTS (continued)

Fair Values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 September 2013:

	Carrying amount US$M	Fair value US$M
Financial assets:		
Trade and other receivables	47.5	47.5
Total current	**47.5**	**47.5**
Trade and other receivables	1.3	1.3
Available-for-sale financial assets	6.7	6.7
Total non-current	**8.0**	**8.0**
Total	**55.5**	**55.5**
Financial liabilities:		
Trade and other payables	69.5	69.5
Interest bearing loans and borrowings:		
- Secured bank loan	51.7	51.7
Total current	**121.2**	**121.2**
Interest bearing loans and borrowings		
- Secured bank loan	92.1	92.1
- Unsecured convertible bonds	517.0[1]	417.7
Total non-current	**609.1**	**509.8**
Total	**730.3**	**631.0**

[1] This figure includes transaction costs which offset the balance in accordance with the requirements of Accounting Standards.

NOTE 20. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	Quarter ended 30 September 2013				**Year ended 30 June 2013**			
	Quoted market price (Level 1)	**Valuation technique- market observable inputs (Level 2)**	**Valuation technique- non market observable inputs (Level 3)**	**Total**	**Quoted market price (Level 1)**	**Valuation technique- market observable inputs (Level 2)**	**Valuation technique- non market observable inputs (Level 3)**	**Total**
	US$M	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**
Financial assets								
Available-for-sale investments								
Listed investments	6.7	-	-	6.7	10.3	-	-	10.3
	6.7	**-**	**-**	**6.7**	**10.3**	**-**	**-**	**10.3**

NOTE 21. EVENTS AFTER THE BALANCE DATE

Since the end of the three month period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

APPENDIX A

Form 52-109F2 - Certification of interim filings – full certificate

I, John Borshoff, the certifying officer and Managing Director and Chief Executive Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of Paladin Energy Ltd for the interim period ended 30 September 2013.

2. No misrepresentation: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1 Control Framework: The control framework the issuer’s other certifying officer and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on 1 July 2013 and ended on 30 September 2013 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Dated: 14 November 2013

John Borshoff
Managing Director/CEO

Form 52-109F2 - Certification of interim filings – full certificate

I, Alan Rule, the certifying officer and Chief Financial Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Paladin Energy Ltd for the interim period ended 30 September 2013.

2. No misrepresentation: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 Control Framework: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2013 and ended on 30 September 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 14 November 2013

Alan Rule
Chief Financial Officer