





PALADIN ENERGY LTD

## Annual General Meeting

20 November 2014

John Borshoff – Managing Director/CEO



# 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.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

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 Andrew Hutson B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Messrs Princep and Hutson 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. Messrs Princep and Hutson 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.

# Presentation Outline

- ✦ Key Achievements and Update
- ✦ Uranium Market Update
- ✦ Project Update
- ✦ Outlook

# Nuclear on the Ascendancy – renewed vigor



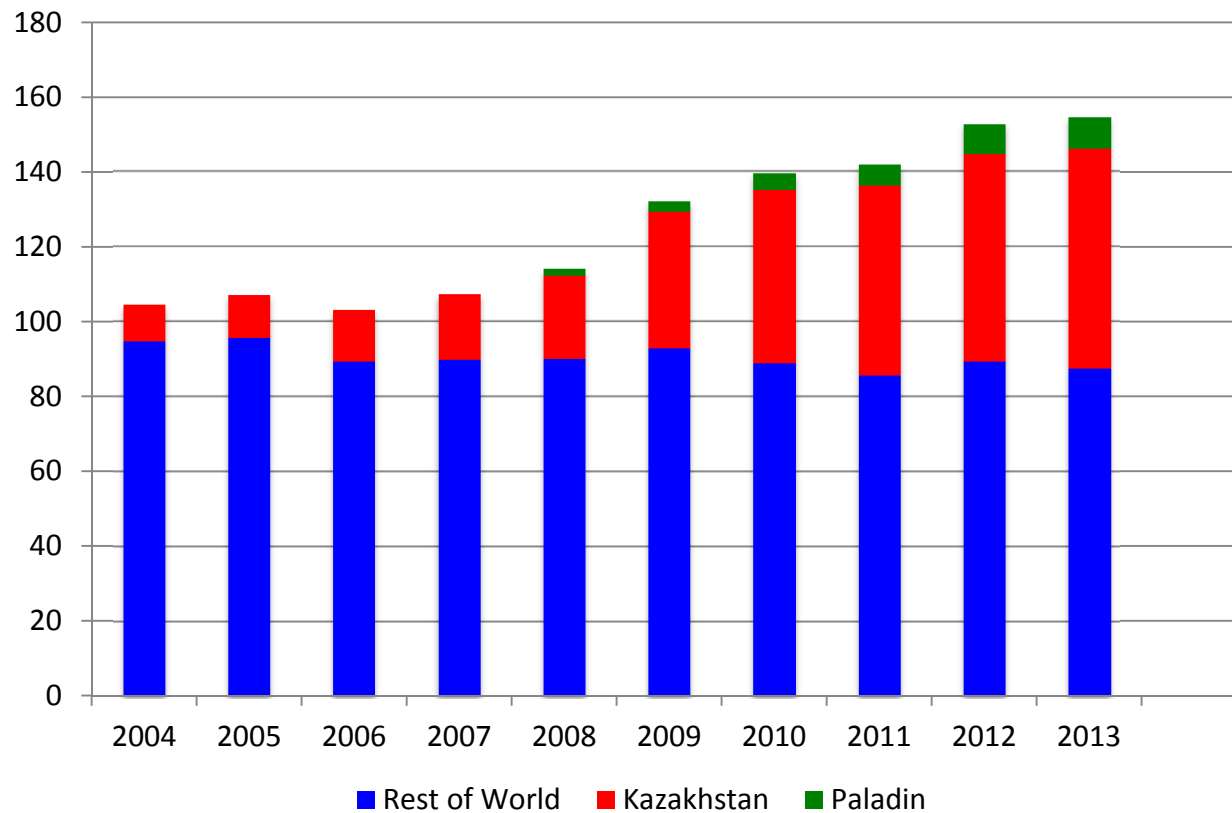
## In November alone the following significant nuclear developments have occurred

- ✦ **Japan gives green light for restart of its nuclear programmes (7 Nov)**
- ✦ **China commits to stringent emission targets by 2030 meaning even more reliance on nuclear power. President Xi (12 Nov - APEC)**
- ✦ **US commits to reduce emissions 26%-29% on 2005 levels ensuring reliance on nuclear power. President Obama (12 Nov - APEC)**
- ✦ **India as the 3<sup>rd</sup> largest economy it is targeting to have 25% of its electricity coming from nuclear power. Prime Minister Modi (17 Nov – G20)**

- represents 45% of total world population (3 billion people)
- includes the top 3 world economies

# Global Uranium Production - **Paladin is a Standout** 2004 - 2013

## PALADIN – A SIGNIFICANT EMERGING CONTRIBUTOR IN GLOBAL TERMS (2008 – 2013)



# Material Achievements are Redefining Paladin

## WE ARE TICKING THE BOXES

### Key focus areas for Paladin

Key Paladin Achievements	Achieve strong operational performance	Deleverage the balance sheet	Establish sustainable cash flows	Take advantage of future price resurgence
1. Significant cost reductions and production optimisation at LHM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Minority equity stake sale in LHM (US\$190M) and establishing a successful partnership with CNNC, a major Chinese nuclear utility		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Long term sales deal with EdF, a leading global nuclear utility (US\$200M prepayment)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. KM Care & Maintenance, leading to cost reduction / asset preservation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Michelin M&I Resource increased by 25% and open pit M&I grades increased by 36%			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. LHM and KM project finance refinancing		<input checked="" type="checkbox"/>		
7. FY14 Guidance achieved (7.94Mlb)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

# Operational Update Post FY14



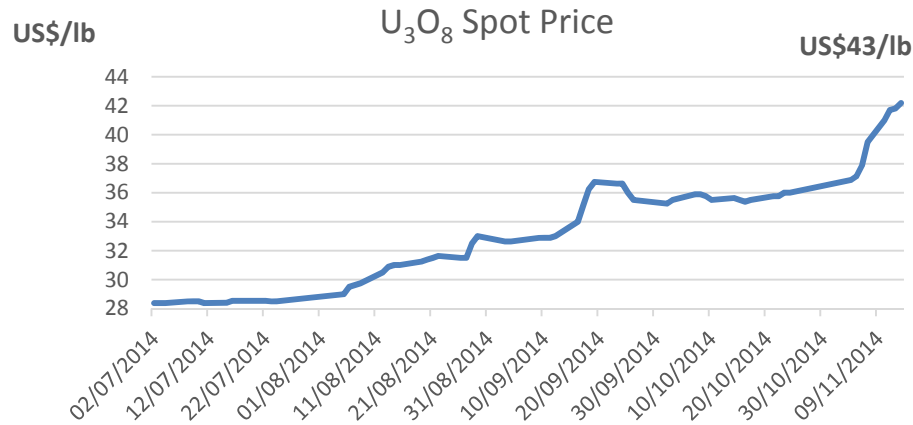
- ✦ **Langer Heinrich production on track**
- ✦ **Langer Heinrich JV minority sale for US\$190M completed 23 July**
  - CNNC now formally in Joint Venture with Paladin
- ✦ **Successful refinancing of Langer Heinrich facility**
  - reduces repayments by US\$32.4M over 3.5 years
- ✦ **Kayelekera restart feasibility study initiated**
  - targeting completion during March quarter 2015
- ✦ **Focus on funding initiatives designed to strengthen balance sheet**
  - well advanced in discussions on a number of fronts



# Presentation Outline

- ✦ Key Achievements and Update
- ✦ Uranium Market Update
- ✦ Project Update
- ✦ Outlook

# Uranium Market Snapshot



Source: UxC Daily Broker Average Price

	Current Nuclear Capacity	Under Construction	Planned	Proposed
Reactors / (Capacity)	436 (376.3GWe)	71 (74.6GWe)	174 (191.3GWe)	301 (331.4GWe)

Source: World Nuclear Association (October 2014)

Nuclear Reactor Fleet – Growth Forecast	2014	2020	2025	2030
Reactors	435	504	550	650

Source: World Nuclear Association / Paladin Nuclear

- Dramatic uranium spot price increase since May (~50%)
- Spot market fundamentals improving as supply tightens and demand rises
- Term market contract volumes already triple that of entire 2013;
- Additional term contracting imminent which is expected to result in term price improvement
- Globally, nuclear power strengthening as reactors enter commercial operation
- Japan clears final hurdle for nuclear restart
- Increasing number of reactors being approved in China
- Exponential global reactor fleet growth post 2020
- Long-term market demand fundamentals require extraordinary growth in uranium supply



- ✦ **US Mid-Term elections expected to boost US nuclear power programme**
- ✦ **Japanese reactor restarts imminent**
  - Japanese utilities have submitted applications for safety reviews for 20 reactors
  - Sendai 1 & 2 (Kyushu Electric) received restart approval from Prefecture Governor 7<sup>th</sup> November; restart expected first quarter CY2015
  - recent estimates place a total of 5-6 reactors operating by end of 2015 and 12 reactors by late 2016; more than 20 reactors could be operational by end of 2017
- ✦ **Reduction in global uranium production underway**
  - Kayelekera/Honeymoon (Uranium One) placed on C&M
  - restricted operations at Rossing and US-based ISR producers (existing contract deliveries)
  - spot market supply is tightening
  - Kazakhstan announced growth in uranium output to slow dramatically to less than 2% in 2014
  - global uranium production forecast to decline from 2013 level of 154Mlb down to 148Mlb (or less) in 2014

# Presentation Outline

- ✦ Key Achievements and Update
- ✦ Uranium Market Update
- ✦ Project Update
- ✦ Outlook

# Langer Heinrich Project Update



## ✦ Production

- strong and stable production (5.59Mlb FY14)
- well positioned for FY15
  - annual maintenance successfully completed
  - further operational improvements expected
  - targeting overall recovery of 88%

## ✦ FY15 guidance 5.4Mlb–5.8Mlb U<sub>3</sub>O<sub>8</sub>

## ✦ Optimisation and innovation for further unit cost reduction

- main initiative is bicarbonate recovery project (nano-filtration circuit similar to Kayelekera acid recovery) – commissioning Jan 2015
- other focal areas:
  - beneficiation recovery
  - IX performance
  - product precipitation and washing
  - target <\$22/lb by FY17



# Kayelekera Project Strategically Placed



- ✦ **Transition to C&M smoothly completed**
  - C&M procedures well established
- ✦ **C&M water management plan well advanced**
  - involves controlled release of surplus run-off into local inland waters
  - treatment to internationally recognised discharge standards
  - plant modifications completed and successfully tested
  - provisional discharge permit and release criteria agreed
  - stakeholder consultations undertaken
  - process expected to commence in January 2015
- ✦ **Restart feasibility study underway**
  - operational performance proven
  - approximately 50% of resource remaining
  - C&M ensures a quick restart
  - a potentially strong cash generator
- ✦ **Government of Malawi support strong**
  - future grid power now top government priority (further savings of ~US\$4/lb and work has commenced)



# Key Pipeline Projects (being advanced)



## MANYINGEE WA

- ✦ **Advancing toward Field Leach Trial (FLT)**
- ✦ **Low-cost ISR project targeting 2Mlb pa U<sub>3</sub>O<sub>8</sub> production**
  - existing mining lease
  - Paladin has the expertise to develop
- ✦ **2018 development target (price dependent)**
  - field leach testing planned for 2015/16
- ✦ **Significant room for resource expansion in the region**
  - targeting 40Mlb of resources



## MICHELIN DEPOSIT Canada

- ✦ **Drilling commenced August 2013 winter campaign completed March 2014**
  - successfully upgraded Michelin deposit Measured & Indicated mineral resource by 25% to 84Mlb U<sub>3</sub>O<sub>8</sub>, with 23Mlb U<sub>3</sub>O<sub>8</sub> remaining in Inferred
- ✦ **2021 development target (price dependent)**
  - Paladin believes the project has the potential to be placed amongst the world's largest economically viable uranium projects – likely to start at around 5Mlb pa with expansion potential
- ✦ **Michelin project area mineral resources 100.8Mlb U<sub>3</sub>O<sub>8</sub> Measured and Indicated and 39.8Mlb U<sub>3</sub>O<sub>8</sub> Inferred**
- ✦ **Targeting 200Mlb of mineral resources within tenements**



# Presentation Outline

- ✦ Key Achievements and Update
- ✦ Uranium Market Update
- ✦ Project Update
- ✦ Outlook



# What We Plan To Do In FY15



- ✦ **Guidance for FY15 is 5.4Mlb to 5.8Mlb U<sub>3</sub>O<sub>8</sub>**
- ✦ **FY15 priorities**
  - further cost rationalisation at operations and corporate level
  - strong operational performance through production optimisation
  - deleveraging the balance sheet
  - remaining positioned to take advantage of the future uranium price resurgence
  - continue improvement in health and safety performance
- ✦ **Fully committed to preserving Paladin's strategic position**
  - Board and management focused on Paladin's sustainability at current prices
- ✦ **Fully committed to realising value for shareholders**
  - capitalise on very high strategic value of Paladin
  - ability to increase production quickly when and as required
  - capitalise on the innovation and experience developed to date
  - exploit the asset base

**There will not be another company like Paladin developed from grass roots into an emerging and significant uranium mining house with high strategic value and of interest to emerging and existing nuclear economies**



# Proxy Votes 2014 Annual General Meeting



**1,181 proxies were received representing 18.39% of the issued capital**

	For	Against	Abstain	Open usable*	% of Issued Capital	Excluded Votes
<b>Resolution 1</b>						
Remuneration Report	108,146,370	49,050,562	896,413	3,005,758	16.69%	16,613,276**
<b>Resolution 2</b>						
Re-election of Sean Llewelyn as Director	152,727,962	18,617,582	3,288,324	3,014,811	18.39%	

\* *Open usable reflects valid proxies for which no voting indication has been noted – if held by the Chairman these will be voted in favour of all resolutions*

\*\* *Relates to key management personnel excluded from voting pursuant to ASX Listing Rules*

