



PALADIN ENERGY LTD

September Quarter Results Conference Call and Investor Update

13 November 2015

Alexander Molyneux – Interim Chief Executive Officer

Craig Barnes – Chief Financial Officer

Darryl Butcher – EGM Technical and Project Development

Andrew Mirco – GM Corporate Development and Investor Relations

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. Readers should not place undue reliance on forward-looking information. 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 Stephanie Raiseborough B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Mr. Princep and Ms. Raiseborough each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, and as Qualified Persons as defined in NI 43-101. Mr. Princep and Ms. Raiseborough are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

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

Some of the information in this presentation, in relation to the mineral resources and ore reserves for all deposits except Manyingee and Michelin, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information that the estimates are derived from has not materially changed since it was last reported.



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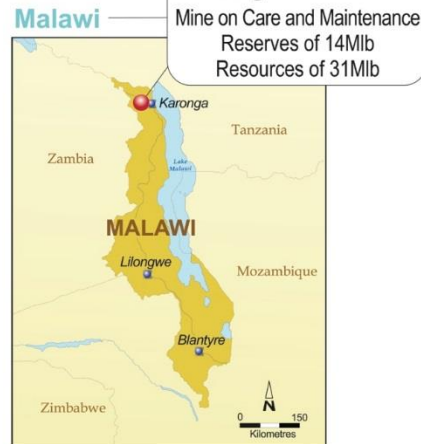
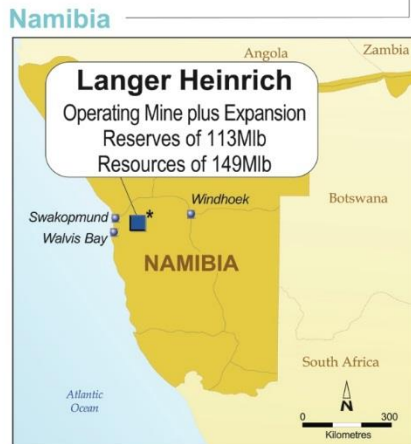
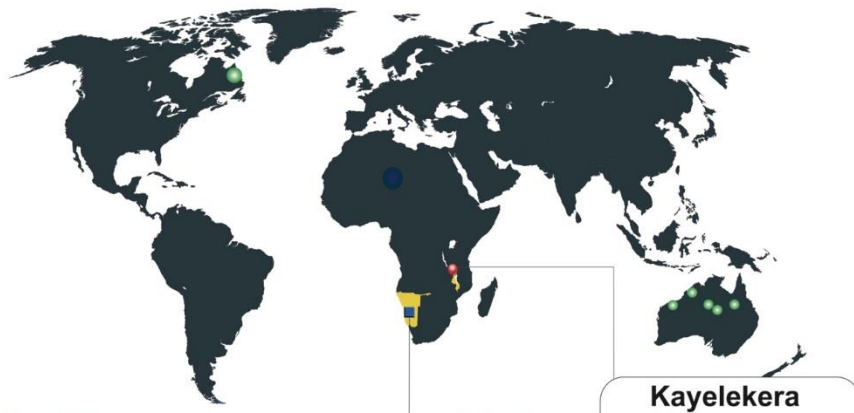
A GLOBAL URANIUM LEADER

OWNS LANGER HEINRICH, A STRATEGIC TIER ONE MINE

HAS OPTIMISATION AS A CORE COMPETENCY

PROVIDES BEST SENIOR LEVERAGE TO URANIUM UPSIDE

Global Uranium Leader

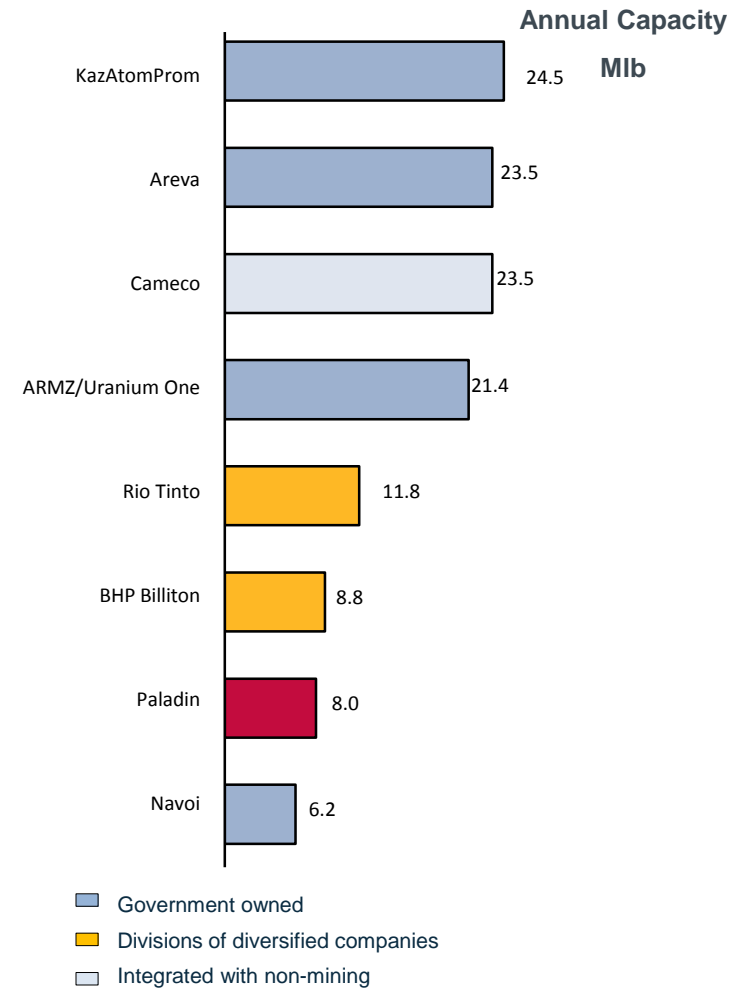


| Attributable Reserves and Resources | |
|-------------------------------------|-------------------|
| Proved + Probable | 98.5Mlb U_3O_8 |
| Measured + Indicated | 239.3Mlb U_3O_8 |
| Inferred | 156.3Mlb U_3O_8 |
| Historic | 21.9Mlb U_3O_8 |

- Paladin 100%
- Paladin 75%
- Geological Assets

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

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





First Quartile

C1 Cash Cost¹

Top 10 Uranium Mine by
Production²

4th largest open-pit

+20 Year Mine Life³

32.7Mlbs

Cumulative production

¹ Source – UxC Uranium Production Cost Study – August 2015

² Source – TradeTech Uranium Market Study – 2015: Issue 3 (based on 2015 production)

³ At current processing rates



Quarter to 30 September 2015 Highlights



Production 1.083Mlbs

Drummed Production 1.2Mlbs

LTIFR 1.39

Compared to 2.41 last quarter and 4.10 for 3 months ended 30 September 2014

US\$46.12/lb ASP

26.4% above average spot

C1 Cash Cost US\$27.82/lb

Vs September quarter guidance US\$26/lb to US\$30/lb

US\$11.3M Gross Profit

Increase of 707% from US\$1.4M in 2014

Cash US\$108.4M

Vs pro forma guidance for repurchase of CB's US\$101.5M to US\$111.5M

- ✓ **Bicarbonate Recovery Plant (BRP) implemented and operating 200% of design**
- ✓ **Repurchased US\$20M of the US\$274M Convertible Bond due 2017 for US\$18.5M**
- ✓ **Cash flow optimisation initiatives substantially implemented**
- ✓ **C1 cash cost decreased 16% from US\$33.03/lb in September 2014**



Quarter to 30 September 2015 Highlights

References below to 2015 and 2014 are to the equivalent three months ended 30 September 2015 and 2014 respectively.



Sales revenue US\$36.9M

0.800Mlb sold at average realised price of US\$46.12/lb

Down 5%



Gross Profit US\$11.3M

Increase from 2014 Gross Profit of US\$1.4M

Up 707%



Loss of US\$16.4M

Lower than loss of US\$38.8M in 2014

Down 58%



Cost of Sales US\$25.7M

Down from 2014 Cost of Sales US\$37.9M

Down 32%



EBITDA US\$6.4M

US\$21.5M turnaround from 2014 negative EBITDA of US\$15.1M



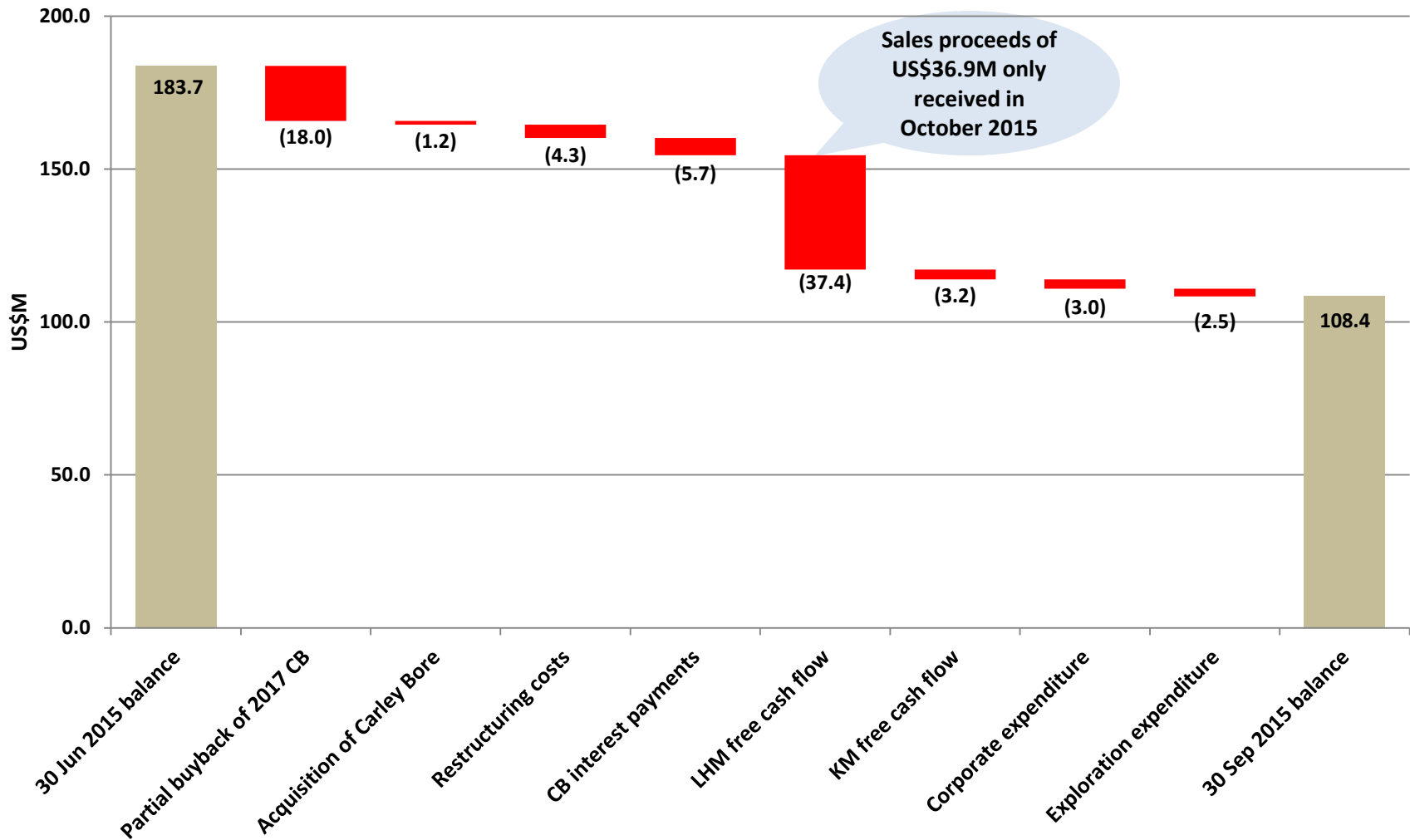
US\$20M Repurchase of 2017 CB

Resulted in savings of approx. US\$3.9M



Quarter to 30 September 2015 Cash Flow

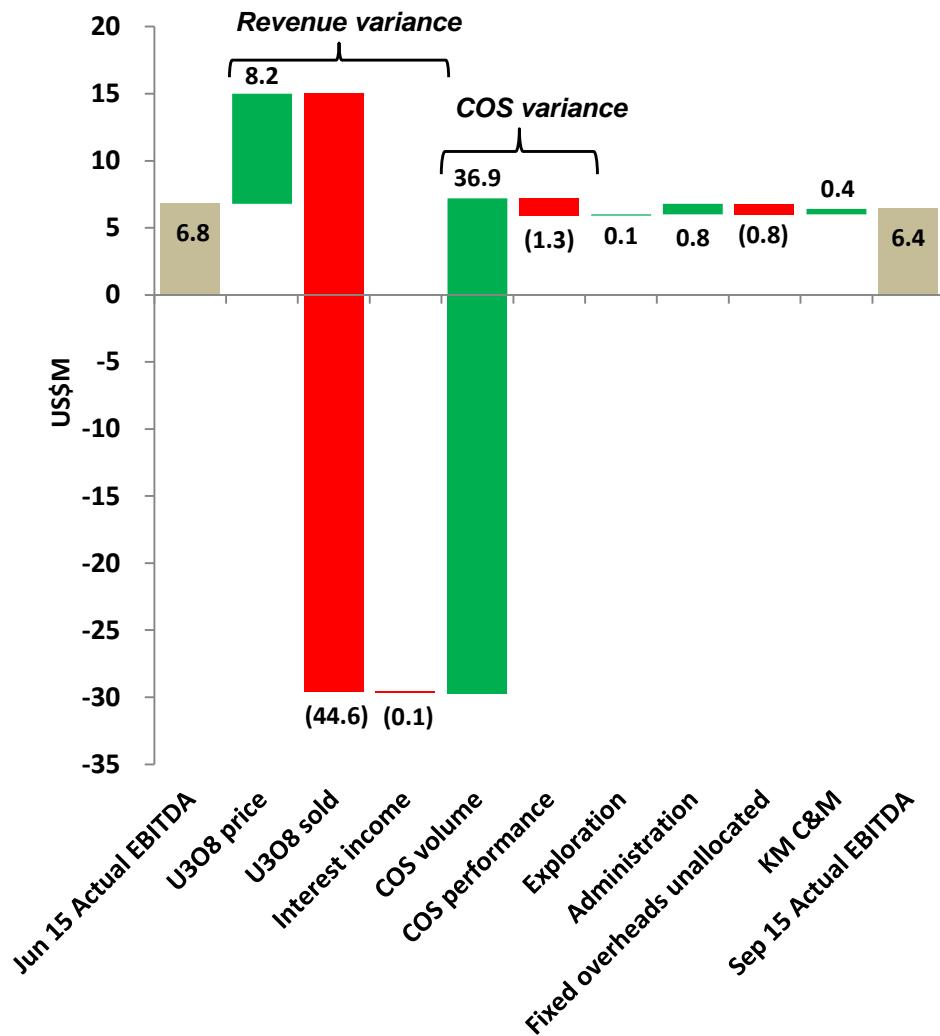
Q1 FY2016 change in cash and cash equivalents



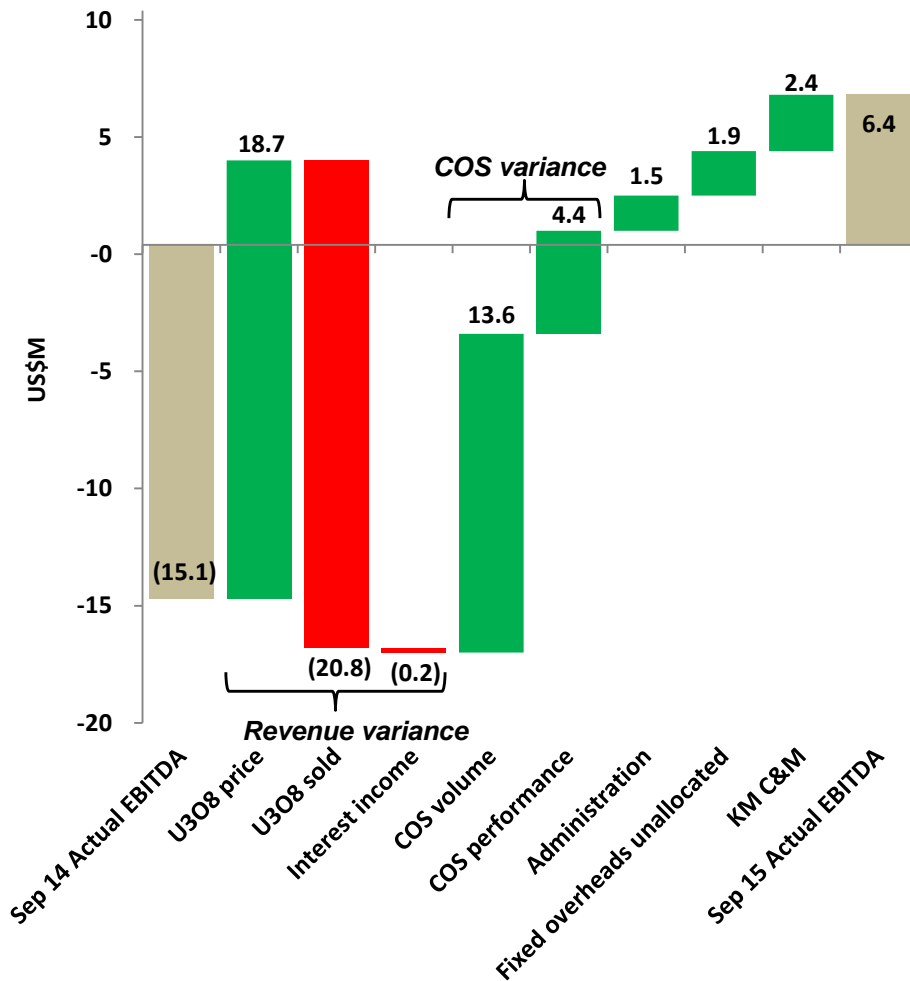


EBITDA Variance Analysis

Quarter to 30 September 2015 vs. Quarter to 30 June 2015



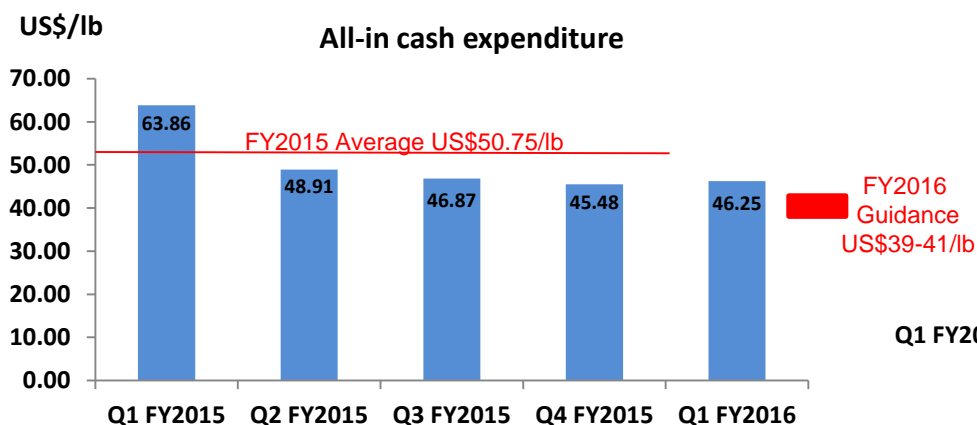
Quarter to 30 September 2015 vs. Quarter to 30 September 2014



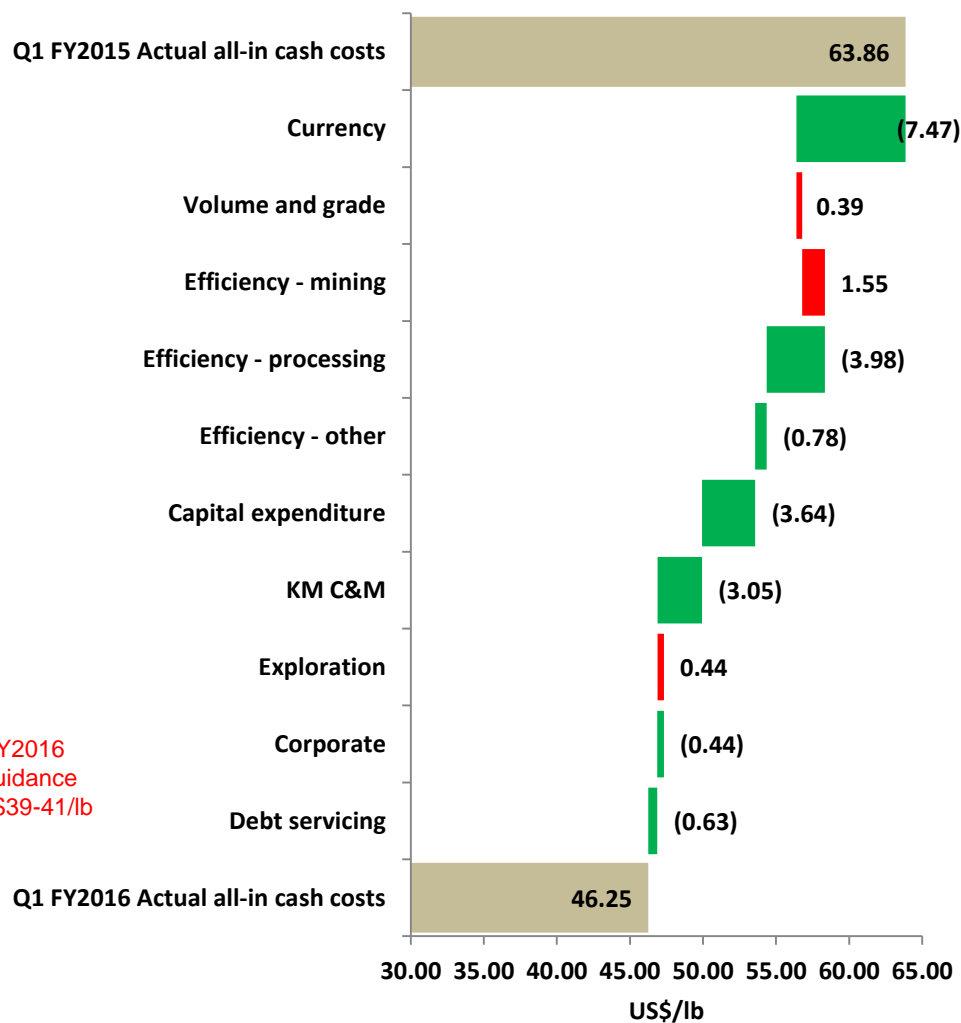


All-in Cash Spending (Breakeven Price)

- All-in spending reduced by US\$17.61/lb Vs. equivalent quarter last year (excluding one off items)
- Volume effect Vs. the quarter to 30 June 2015
- All-in spending in-line with plan for US\$39-41/lb range on full year FY 2016 basis



Quarter to 30 September 2015 vs. Quarter to 30 September 2014





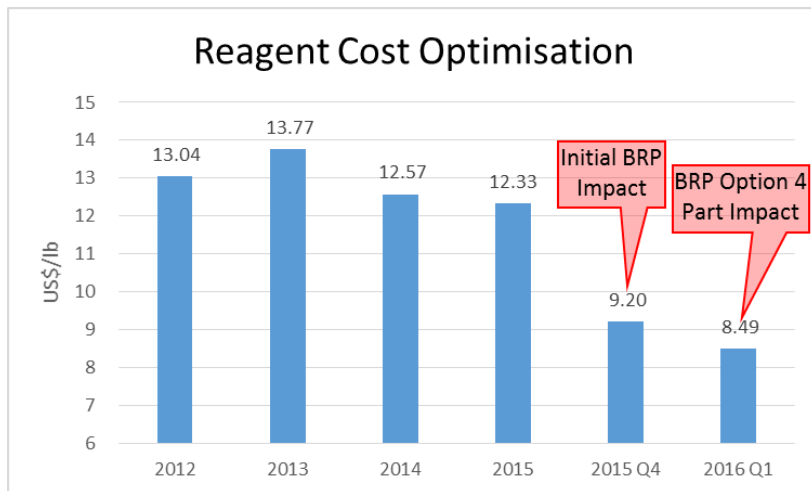
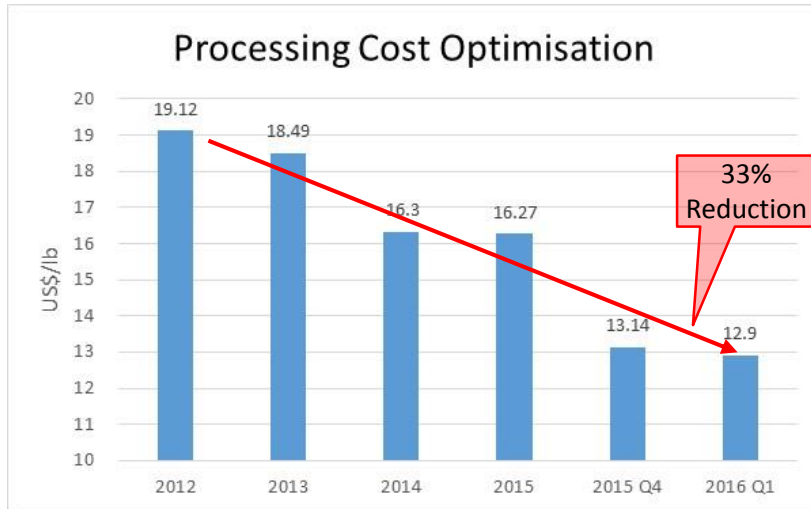
Capital Management

- Total debt reduction¹
 - US\$449.6M since June 2012
 - US\$20M during Sep Quarter
- Next maturity is April 2017
- Outlook for improved operating cash flows
- Strategic initiatives being considered
- 2017 CB Funding Gap Reduced to US\$150- US\$180M

| Breakdown of Key Debt Instruments ¹ | US\$M |
|--|------------|
| LHM Syndicated Facility Agreement | 61 |
| Convertible Bonds due April 2017 | 254 |
| Convertible Bonds due March 2020 | 150 |
| Total Debt | 465 |

¹ Reductions based on face value of debt

Optimisation a Core Competency



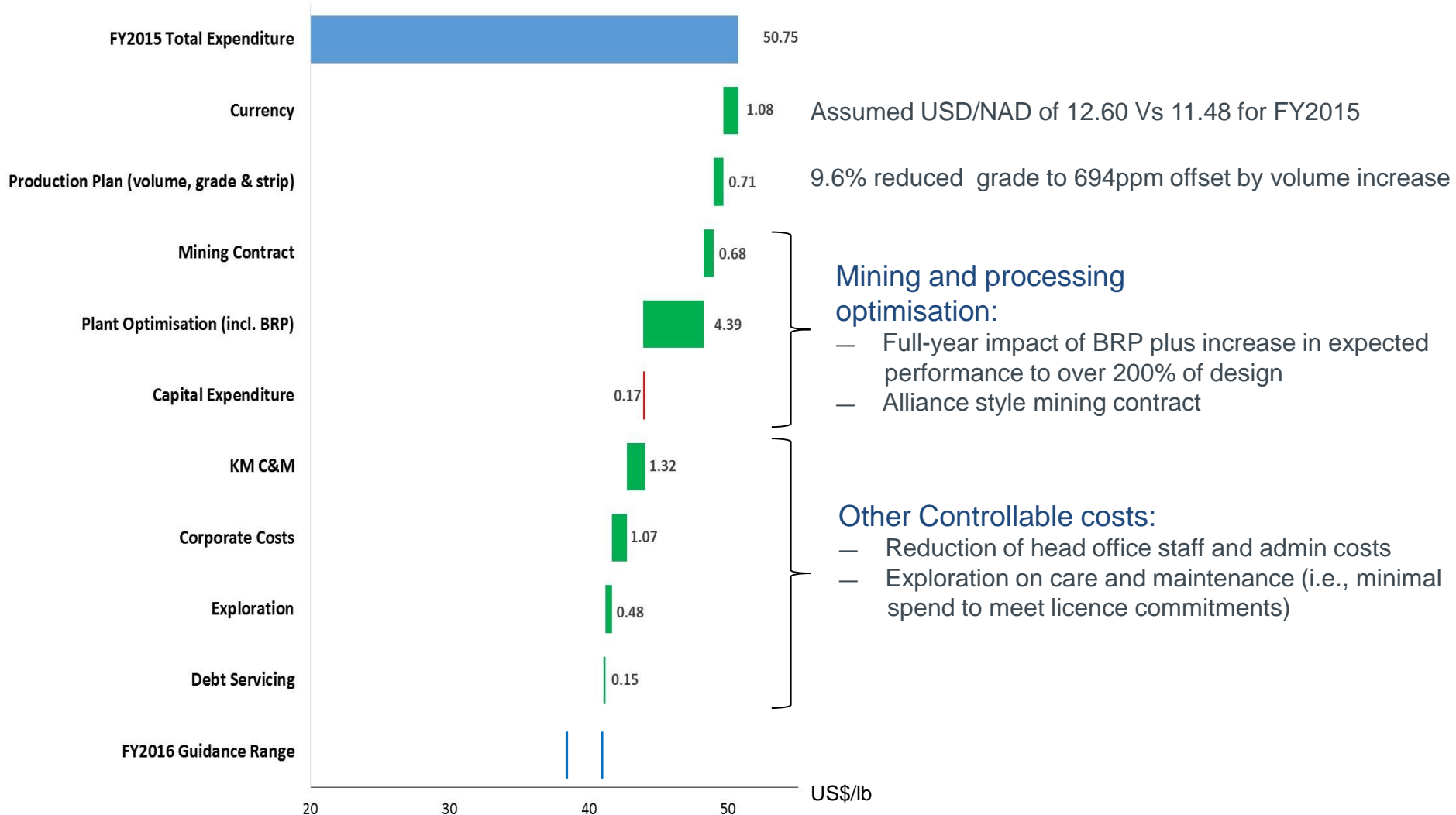
- Paladin maintains a world class technical services team focused on cash flow optimisation
- BRP Enhancement 4 now operational
 - ✓ Capital Cost of additional <US\$100k of our original capital cost of US\$6.8M
 - ✓ Recovery of sodium bicarbonate now exceeds 200% of design
 - ✓ Total operating cost saving now >US\$6/lb (>US\$30Mpa)
 - ✓ Additional secondary benefits

Optimisation a Core Competency

FY2016 Cash Flow Optimisation Initiatives



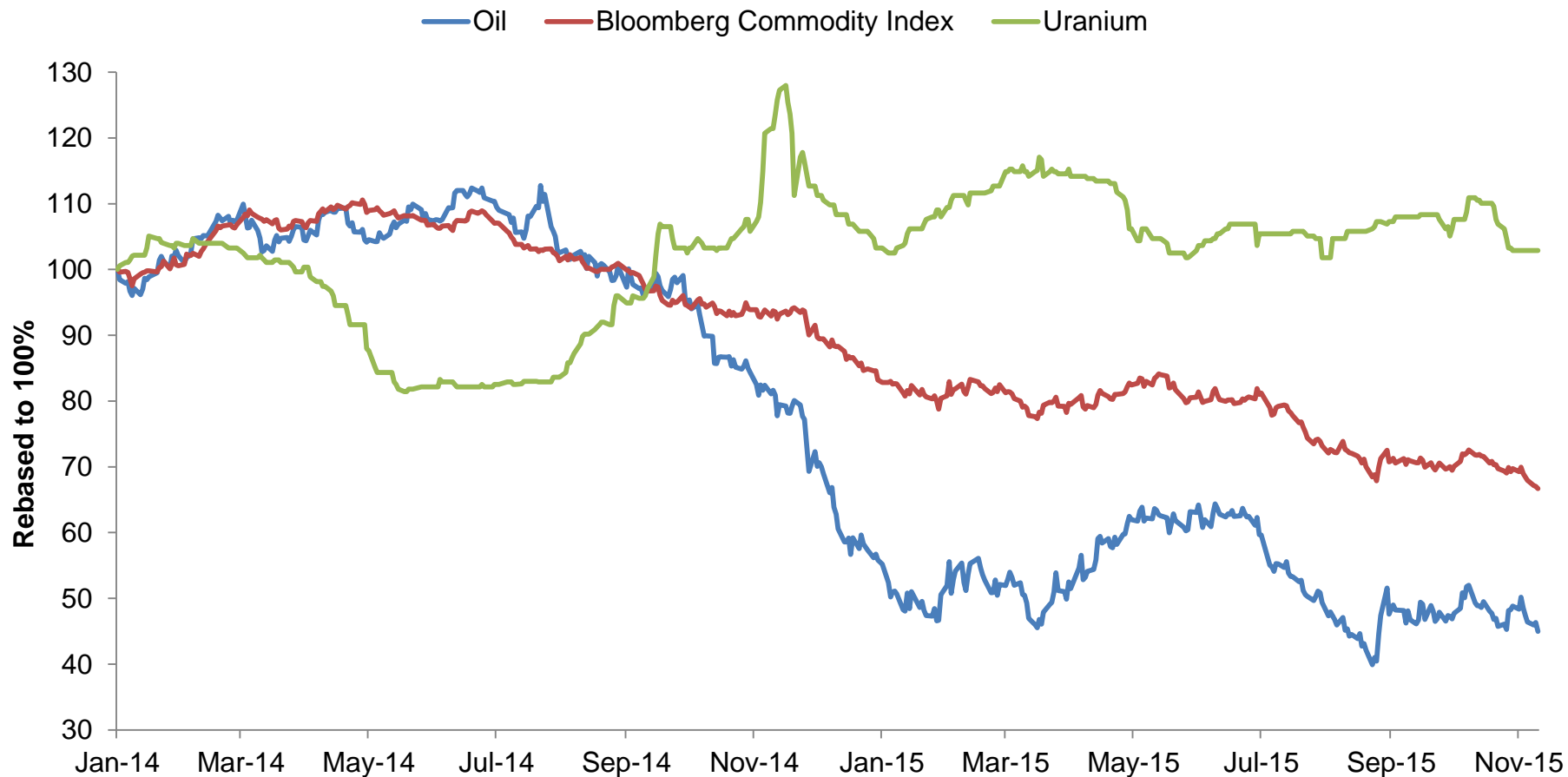
All in total expenditure including annualised impact and optimisation initiatives¹



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

Best Leverage to Uranium Upside

Uranium is not affected by recent commodity rout



Best Leverage to Uranium Upside

Uranium has a positive outlook and Paladin has leverage



Source: TradeTech for historical spot. Analysts' forecast is based on average of 16 analyst forecasts as shown in latest available reports (analysts include: BAML; BMO; Cantor; CIBC; CIMB; Cormark; CS; Dundee; JPM; Raymond James; RBC; RFC Ambrian; Salman; Scotiabank; TD; and UBS).

- Current situation is positive
 - Japan 2 reactors restarted and 25 have applied to follow
 - 2017 will see record nuclear power generation
 - 65 reactors under construction
 - 59% in Asia
 - Mined supply reduced 10% in 2014
 - Higher prices are needed
- Paladin is leveraged
 - Publicly-listed uranium pure play exposure
 - FY2016 85% spot-related exposure
 - FY2017 & FY2018 almost 100% spot related



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1. Maximise LHM operating cash flows through optimisation initiatives that preserve the integrity of the long-term life of mine plan
2. Maintain KM and exploration on a “minimal expenditure, care and maintenance basis”
3. Minimise corporate and administrative costs
4. Progress strategic initiatives with respect to partnerships, strategic investment, funding and corporate transactions



**5.0 - 5.4Mlbs
Production**

US\$4/lb

ASP Premium to spot

LHM C1 US\$25-27/lb

7-14% lower than FY2015

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

US\$14M lower than FY2015

**Cash flow neutral
for FY2016**

*Subsequent quarters to
be cash flow positive*

December Quarter

- *Sales 1.5 - 1.7Mlb*
- *LHM C1 US\$25-27/lb*
- *Cash build to US\$110-120M*



Appendix

Langer Heinrich Project Update



- **Production September Quarter**
 - 1.083Mlb (drummed 1.200Mlb)
 - recovery 82% (has now improved with reversion to typical ore)
 - Bicarbonate Recovery Project (BRP) Enhancement 1 now operational at >200% of design
 - further significant reduction in reagent usage
 - further consequential benefits but one adverse (leach extraction)

- **C1 Cost US\$27.82/lb, on track to achieve \$25-27/lb for FY2016**

- **Optimisation and innovation for further unit cost reduction**
 - further application of membranes
 - other focal areas:
 - process recovery
 - operator training and operating systems
 - process plant utilisation

- **Guidance FY2016 of 5.0 - 5.4Mlb**

| | Actual Sept Qtr FY2015 | Actual Sept Qtr FY2016 |
|--|------------------------|------------------------|
| Ore processed | 0.734Mt | 0.847Mt |
| Ore feed grade | 786ppm | 706ppm |
| Recovery | 85.6% | 82.2% |
| U ₃ O ₈ production | 1.090Mlb | 1.083Mlb |



Pipeline Projects



- **Kayelekera Mine**
 - now stable in C&M
 - restart feasibility study near completion and current focus
 - site stable in terms of water and other environmental issues for the long term
- **Michelin Deposit Canada**
 - minimum expenditure planned for FY2016
- **Manyingee WA**
 - Minimum activity planned for FY2016





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