



PALADIN ENERGY LTD



Annual Results Conference Call and Investor Update 28 August 2015

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Disclaimer and Notes for JORC and NI 43-101 Mineral Resources and Ore Reserves



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

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

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

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

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

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



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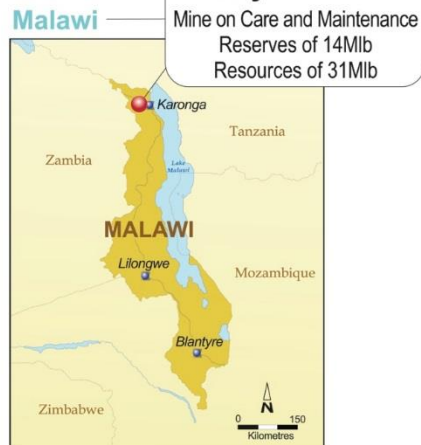
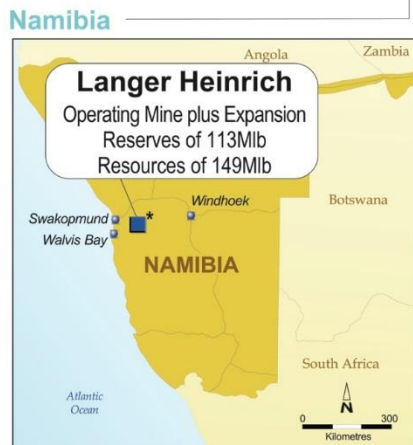
A GLOBAL URANIUM LEADER

OWNS LANGER HEINRICH, A STRATEGIC TIER ONE MINE

HAS OPTIMISATION AS A CORE COMPETENCY

PROVIDES BEST SENIOR LEVERAGE TO URANIUM UPSIDE

Global Uranium Leader

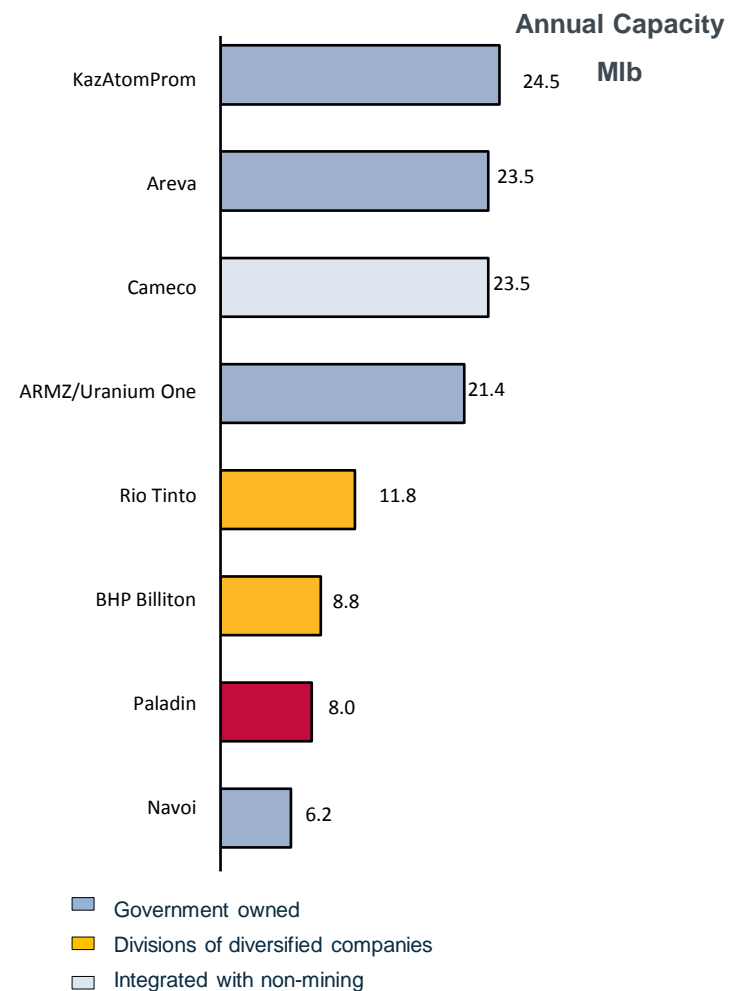


Attributable Reserves and Resources	
Proved + Probable	98.5Mlb U ₃ O ₈
Measured + Indicated	239.3Mlb U ₃ O ₈
Inferred	156.3Mlb U ₃ O ₈
Historic	21.9Mlb U ₃ O ₈

- 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 only independent pure play uranium miner



Langer Heinrich A Strategic Tier One Mine



Lowest cost open pit
uranium mine
in the world

US\$1.4Bn

Cumulative sales revenue

+20 Year Mine Life¹

31.6Mlbs

Cumulative production

¹ At current processing rates



Key Achievements for FY2015



Production 5.037Mlbs

Recovery 87.6%

US\$37.0/lb ASP

3.4% above average spot

C1 Cash Cost US\$29/lb

US\$26.03/lb June Quarter 2015

US\$1.8M Gross Profit


US\$94.9M *increase in*
cash on hand to **US\$183.7M**

- ✓ **Bicarbonate Recovery Plant (BRP) implemented and operating 118% of design¹**
- ✓ **Completion of 25% equity sale in LHM to CNNC for US\$190M**
- ✓ **15% strategic investment by HOPU**
- ✓ **2020 CB Issue and repayment of 2015 CB**

¹ Based on Q4, the first full quarter of production

FY2015 Profit & Loss





Sales revenue US\$198.6M
5.367Mlb sold at average
realised price of US\$37.0/lb
Down 38%


**Gross Profit
US\$1.8M**
Turnaround from FY2014
Gross Loss of US\$65.1M

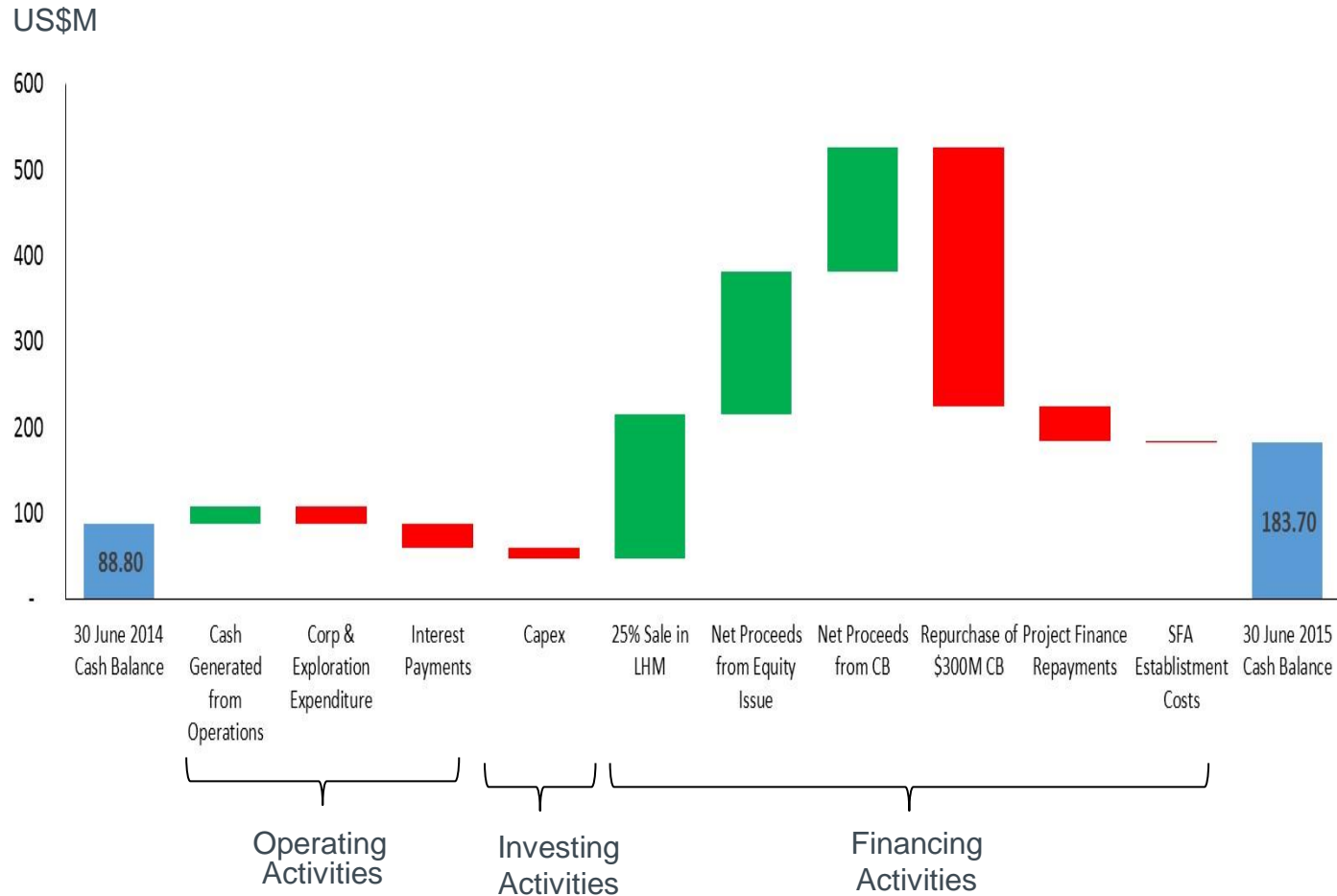

**Impairments of US\$193.1M
(after tax)**
US\$180.8M write down of
Queensland exploration assets


**Finance costs
US\$57.0M**
Down 5%


**Admin, marketing and
non-production
costs of US\$19.3M**
Down 12%


**Exploration
expenditure
US\$5.7M**
Down 30%

FY2015 Cash Flow



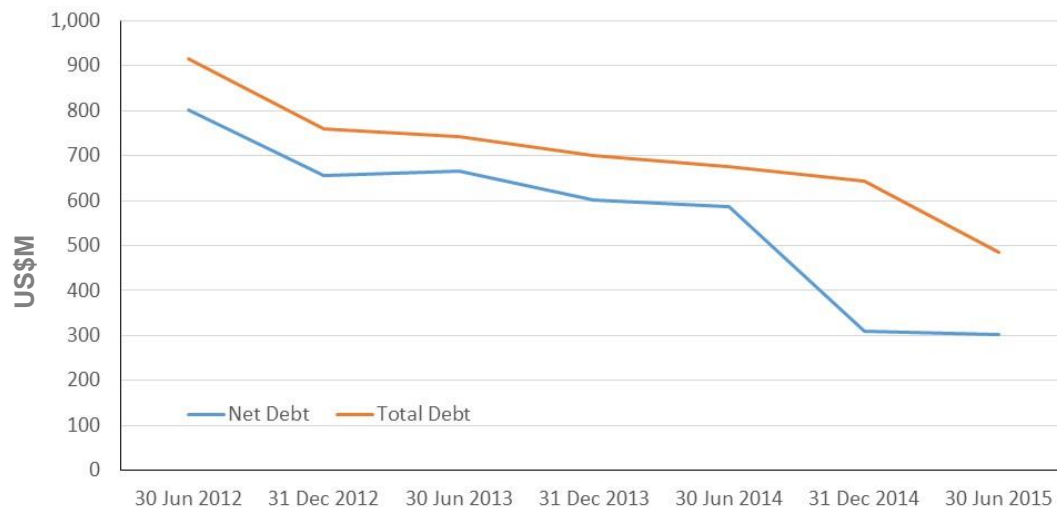
- Cash and cash equivalents of **US\$183.7M**
- Cash outflow from operating activities of **US\$24.7M**
- Cash outflow from investing activities of **US\$15.6M**
- Cash inflow from financing activities of **US\$137.6M**



Capital Management

- Total debt reduction¹
 - US\$429.6M since June 2012
 - US\$189.9M during FY2015
- Next maturity is Q4 FY2017
- Outlook for improved operating cash flows
- Strategic initiatives to be considered

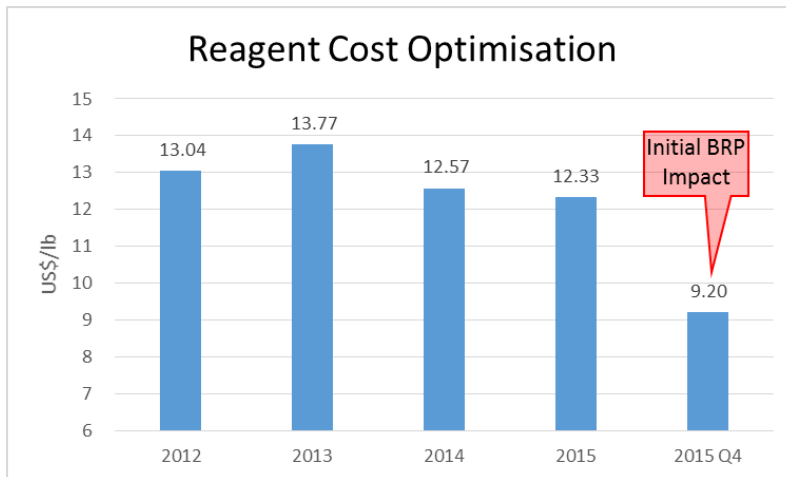
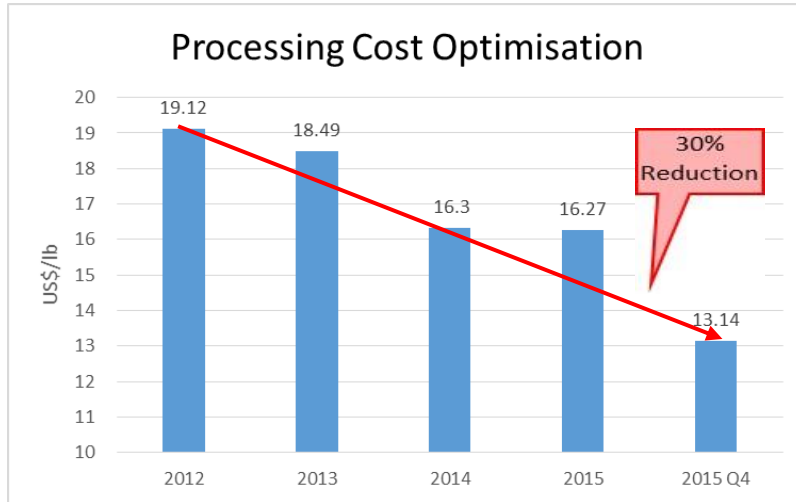
Debt Reduction FY2012 to FY2015



Breakdown of Key Debt Instruments ¹	US\$M
LHM Syndicated Facility Agreement	61
Convertible Bonds due April 2017	274
Convertible Bonds due March 2020	150
Total Debt	485

¹Reductions based on face value of debt

Optimisation a Core Competency



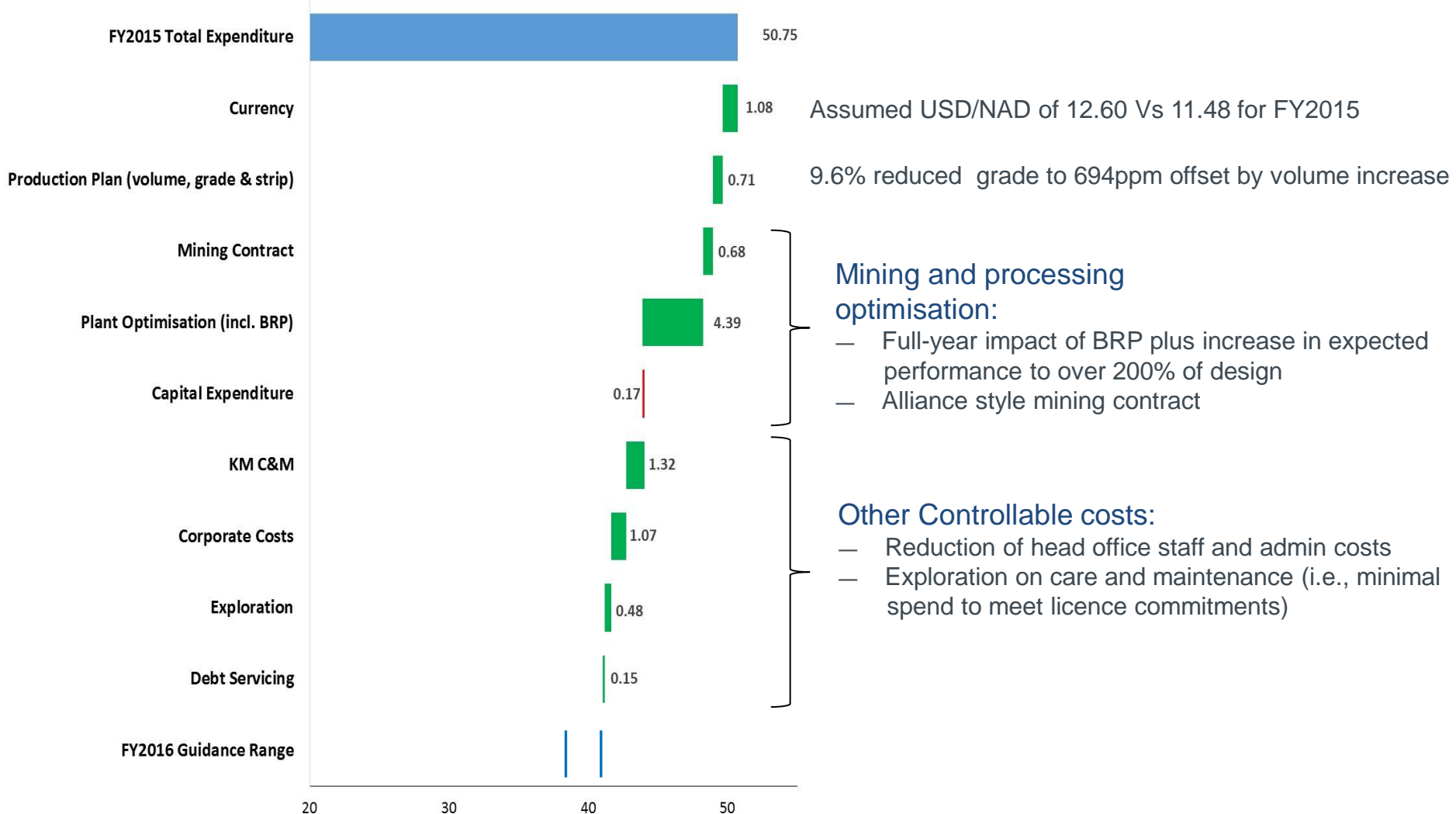
- Paladin maintains a world class technical services team focused on cash flow optimisation
- FY2015 key project delivered was BRP
 - ✓ Capital Cost of US\$6.8M
 - ✓ 93% utilisation in first full quarter of operation – likely to achieve >95%
 - ✓ Recovery of sodium bicarbonate 118% of design by end of first quarter
 - ✓ Total direct cost saving projected to be >US\$3/lb (>US\$15Mpa)
 - ✓ Additional secondary benefits

Optimisation a Core Competency

FY2016 Cash Flow Optimisation Initiatives



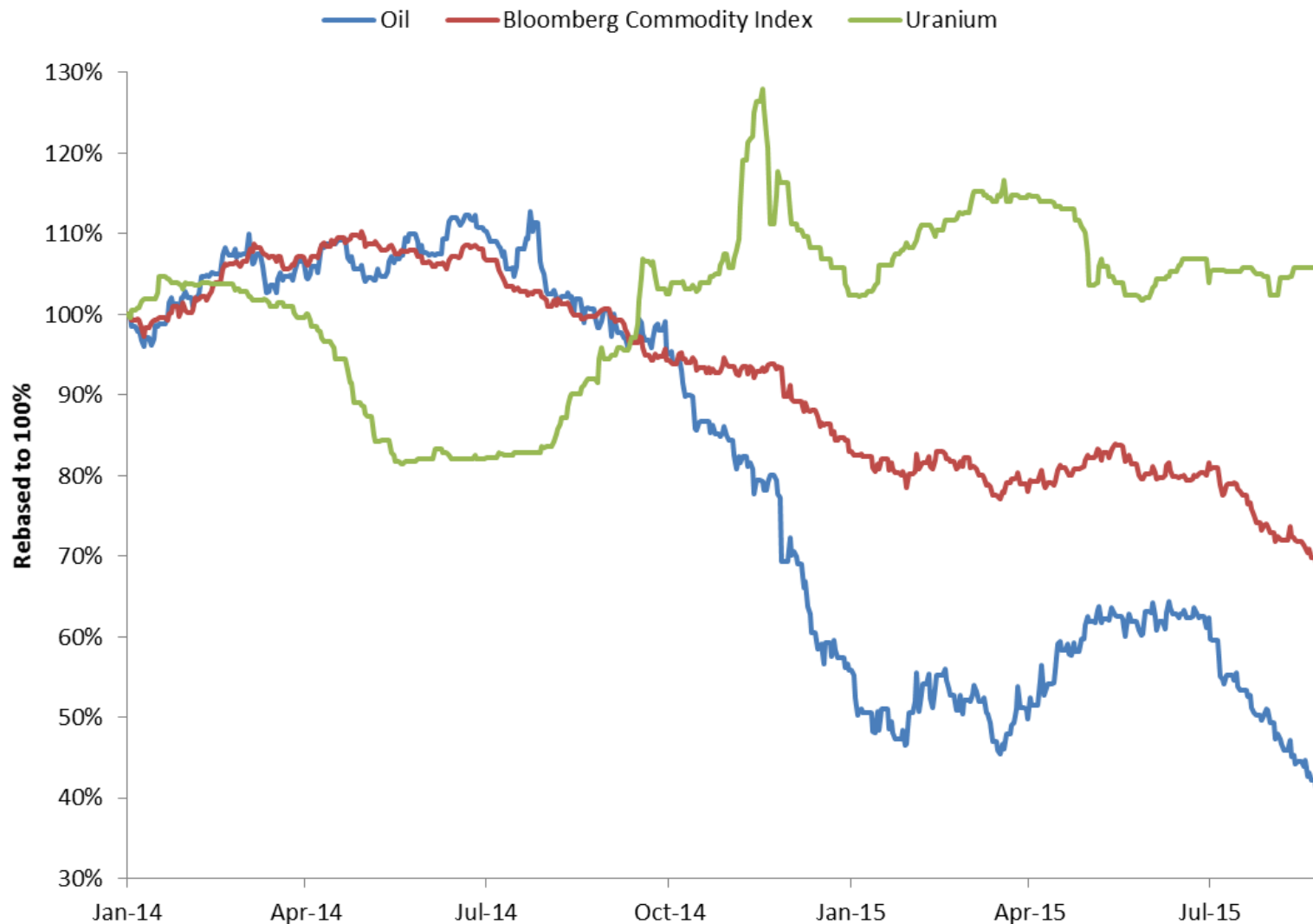
All in total expenditure including annualised impact and optimisation initiatives¹



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

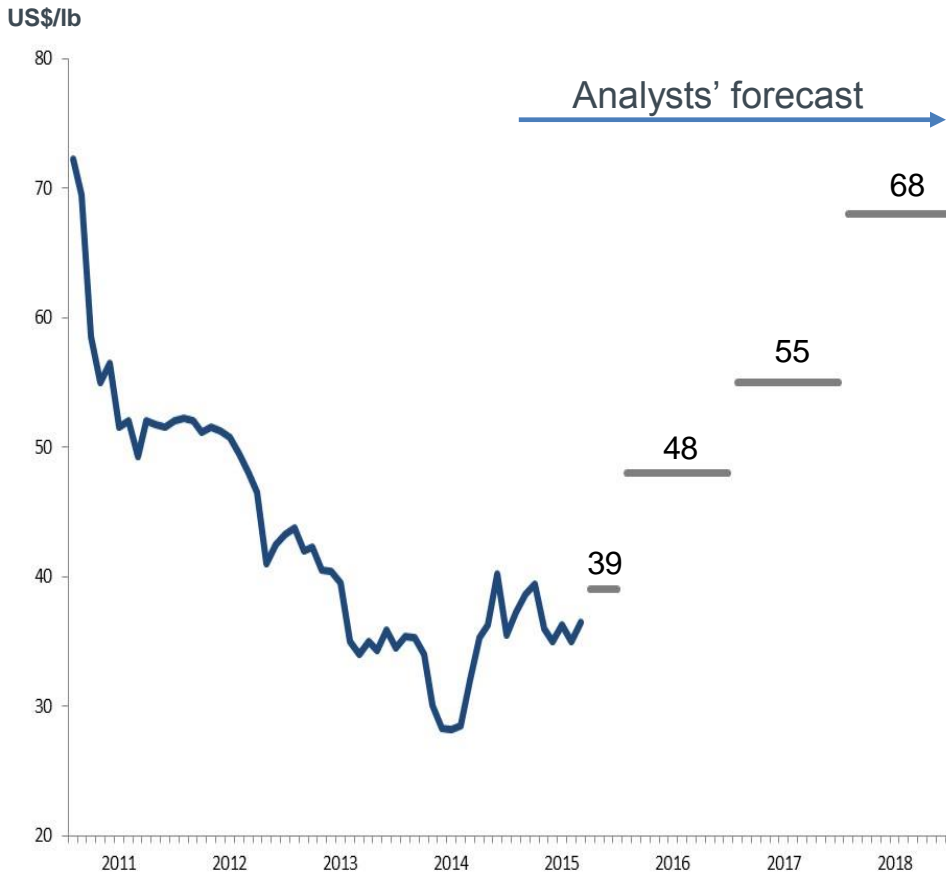
Best Leverage to Uranium Upside

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; Comark; CS; Dundee; JPM; Raymond James; RBC; RFC Ambrian; Salman; Scotiabank; TD; and UBS).

- Current situation is positive
 - Japan restart commenced 10 August
 - 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. Consider 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

**US\$6M One-off
Restructuring Charges**

In Q1 FY2016

Sales delivery timing, mine plan and restructuring costs forecast group cash balance US\$120-130M 30 September 2015 before rebuilding to finish neutral for FY2016



Appendix

Langer Heinrich Project Update



- **Production FY2015**
 - 5.037Mlb
 - recovery 87.6%
 - Bicarbonate Recovery Project (BRP) commenced April 2015 operating 120% of design
 - positive change to plant performance immediate
 - significant reduction in reagent usage
 - positive impacts in other areas of the plant provide consequential benefits
 - C1 Cost US\$29.0/lb

	Actual FY2015	Actual Jun'15 Qtr
Ore processed	3.4Mt	0.89Mt
Ore feed grade	768ppm	778ppm
Recovery	87.6%	87.8%
U ₃ O ₈ production	5.04Mlb	1.34Mlb

- **C1 Cost being reduced in FY2016**
 - C1 cash cost \$25-27/lb
- **Optimisation and innovation for further unit cost reduction**
 - further benefits from the BRP project expected
 - other focal areas:
 - process recovery
 - operator training and operating systems
 - process plant utilisation
- **Guidance FY2016 of 5.0 - 5.4Mlb**



■ Kayelekera Mine

- C&M routines established and costs coming down
- restart feasibility study near completion
- discharge of water continued successfully during the year



■ Michelin Deposit Canada

- successfully upgraded Michelin deposit Measured & Indicated mineral resource by 25% to 84Mlb U_3O_8 , with 23Mlb U_3O_8 remaining in Inferred
- historic NROP (Non Resident Ownership Policy) exemption granted to Paladin to majority own and develop operation at Michelin



■ Manyingee WA

- advancing toward Field Leach Trial (FLT)
- significant project enhancement with new acquisition of Carley Bore





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