PALADIN ENERGY LTD

ACN 061 681 098

NEWS RELEASE **For Immediate Distribution**

PALADIN ENERGY: FINANCIAL REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2015

Perth, Western Australia – 14 May 2015: Paladin Energy Ltd ("Paladin" or "the Company") **(TSX:PDN / ASX:PDN)** announces the release of its consolidated Financial Report for the nine months ended 31 March 2015. The Financial Report is appended to this News Release.

HIGHLIGHTS

OPERATIONS

- **Langer Heinrich Mine (LHM) produced[(1)] 1.234Mlb U_3O_8 for the three months ended 31 March 2015, down 10% from the last quarter.**
- **C1 cost of production[(2)]:**
  - **LHM C1 unit cost of production for the quarter increased by 3% from US$28.6/lb in the December 2014 quarter to US$29.4/lb in the March 2015 quarter.**
- **FY2015 production guidance remains at 5.0 – 5.2Mlb U_3O_8.**

SALES AND REVENUE

- **Sales revenue of US$125.3M for the nine month period ended 31 March 2015, selling 3.601Mlb U_3O_8.**
- **Average realised uranium sales price for the nine months was US$34.80/lb U_3O_8 compared to the average TradeTech spot price for the period of US$35.6/lb U_3O_8.**
- **Uranium spot price increased to US$39.40/lb at the end of March 2015, an increase of 11% during the quarter. Spot price at end of December 2014 was US$35.50/lb.**
- **Japan reactor restart programme continued to make progress towards implementation.**

CORPORATE

- **Successful recapitalisation completed with issue of a US$150M convertible bond.**
- **US$300M November 2015 convertible bond paid out by tender offer on 2 April 2015 (US$289.25M) with the balance US$10.75M to be paid out on 18 May 2015 through the exercise of the optional redemption right.**
- **Future cost optimisation focus continues for both production and corporate costs.**

(1) *LHM production volumes and unit C1 cost of production for the quarters ended December 2014, September 2014, June 2014, March 2014 and December 2013 include an adjustment to in-circuit inventory relating to leached uranium within process circuit.*

(2) *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.*

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Results

(References below to 2015 and 2014 are to the equivalent nine months ended 31 March 2015 and 2014 respectively).

- **Safety and Sustainability:**
  - Lost time injury (LTI) frequency rate substantially reduced due to new initiatives and improvements implemented across the Group.
- **Langer Heinrich Mine (LHM):**
  - LHM produced 1.234Mlb U_3O_8 for the three months ended 31 March 2015, down 10% from the previous quarter's production of 1.377Mlb U_3O_8.
    - Feed grade for the quarter: 734ppm U_3O_8.
    - Recovery: 88.4% an increase of 0.2% from the last quarter.
    - Ore feed for the quarter of 860,337t, constrained mainly by the pre-leach thickener #2 centre well failure which, as reported in February, caused 12 days loss of full production.
    - Bicarbonate Recovery Project (BRP) successfully commissioned in March and operating above design.
  - LHM unit C1 cost of production for the March 2015 quarter increased by 3% to US$29.4/lb U_3O_8 from US$28.6/lb in the December 2014 quarter as a result of the lower production, although total US$ C1 costs of production decreased by 8% to US$36.3M.
- **Cost Reduction Initiatives:**
  - BRP successfully commissioned in March and operating above design. The extent of this project's success has far-reaching implications for the Langer Heinrich operation now and into the future. BRP is expected to exceed design benefit by up to 100% and establish a new paradigm in carbonate uranium processing.
  - The cost optimisation strategy will remain focused on process recovery, operator training and continuity of operation, all of which are capable of delivering sustained benefits in the short and medium term.
  - Target for LHM is C1 unit cost below US$26/lb by the end of FY2015, and US$22/lb in FY2017 (in real terms) focusing primarily on reagent recycling, increased recovery, plant utilisation and mining cost reduction.
- **Kayelekera Mine (KM) remains on care and maintenance:**
  - Restart study well advanced and completion of this evaluation is expected by the end of June 2015.
  - Post quarter controlled release of treated water commenced to maintain water balance.
- **Profit and Loss:**
  - Total sales volume for the nine months of 3.601Mlb U_3O_8. (2014: 6.853Mlb).
  - Sales revenue for the nine months decreased 52% from US$259.6M in 2014 to US$125.3M in 2015, as a result of an 8% decrease in realised sales price, and a 47% decrease in sales volume predominantly due to KM being placed on care and maintenance. The average realised uranium sales price for the nine months ended 31 March 2015 was US$34.80 U_3O_8 (2014: US$37.90/lb U_3O_8), compared to the TradeTech weekly spot price average for the nine months of US$35.60/lb U_3O_8. Higher uranium sales of around 1.7Mlb are anticipated for the June quarter with an average sales price expected above the average for the nine months, reflecting the delivery of volumes into defined price contracts.
  - Gross Profit for the nine months of US$4.6M is a turnaround from a US$27.6M gross loss (including a gross loss of US$35.3M from KM) in 2014.
  - Net loss before tax attributable to members of the Group for the nine months was US$71.9M. (2014: Net loss US$274.9M)

- **Cash Flow:**
  - Cash outflow from operating activities for the nine months was US$47.2M, after net interest payments of US$14.9M and exploration expenditure of US$1.2M.
  - Cash outflow from investing activities for the nine months totalled US$12.8M:
    - plant and equipment acquisitions of US$9.7M, including, the BRP equipment and spiral heat exchangers at LHM; and,
    - capitalised exploration expenditure of US$3.2M.
  - Cash inflow from financing activities for the nine months of US$443.0M is mainly attributable to:
    - the balance of proceeds received from the sale of a 25% interest in LHM of US$170M, the proceeds from the entitlement offer of US$119.7M, from the share placement to HOPU of US$52.7M, and from the convertible bond issue of $150M, all of which has been partially offset by a US$35.4M repayment of the LHM project finance and syndicated loan facility, US$1.5M in syndicated loan facility establishment costs, US$3.0M in costs attributable to the sale of a 25% interest in LHM, US$5.7M in equity capital raising costs and US$3.8M in convertible bond issue costs.
- **Cash Position:**
  - Cash of US$469.6M at 31 March 2015.
  - Balance of proceeds from the sale of a 25% interest in LHM of US$170M, US$119.7M proceeds from the entitlement offer, US$52.7M proceeds from the share placement to HOPU and US$150M proceeds from the convertible bond issue.
  - US$35.4M repayment of the LHM project finance facility and syndicated loan and costs attributable to the capital raisings.
- **Production Guidance**
  - Paladin's FY2015 production guidance remains at 5.0 – 5.2Mlb U_3O_8.
- **Sales Volumes**
  - Uranium sales volumes are expected to fluctuate quarter-on-quarter due to the uneven timing of contractual commitments and resultant delivery scheduling by customers. Sales, production volumes and inventories are expected to be comparable on an annualised basis.
- **Capital Management**
  - On 31 March 2015, Paladin issued a US$150M convertible bond. The issue structure included a US$100M convertible bond issued on 13 February 2015 and, as a result of Paladin exercising an upsize option, an additional US$50M issued on 25 March 2015. The US$100M was issued to high quality institutional investors, whilst the US$50M was issued to Leader Investment Corporation, a controlled subsidiary of China Investment Corporation (CIC).
  - The investment by CIC provides Paladin with additional funding flexibility and bolsters Paladin's cash position, thereby further reducing the need for any additional funding in the medium term and enabling the Company to fully capitalise on its strategic value. More importantly, Paladin's new relationship with CIC, as one of the largest sovereign wealth funds in the world, sets a possible platform for Paladin's future development and growth to become a true Tier 1 uranium producer amongst its peers.
  - The US$150M convertible bond carries a coupon of 7% per annum and is convertible into Paladin shares at an initial conversion price of US$0.356 per share, representing a conversion premium of 25% above the reference price of Paladin shares at the time of pricing and are due 31 March 2020.
  - Proceeds from the convertible bond were used to fund the concurrent tender offer to acquire the outstanding US$300M convertible bond due November 2015. On 2 April 2015, Paladin repurchased US$289.25M of the US$300M convertible bonds. On 17 April 2015, Paladin exercised its optional redemption right for the remaining US$10.75M convertible bonds, settling on 18 May 2015.

- **Uranium Outlook**
  - As reported by TradeTech, volume in the near-term spot market rose over the March quarter registering a total transactional quantity of 15.2Mlb, as compared to 9.0Mlb for the comparable period of 2014, an increase of close to 70%. While the spot price ended the December quarter at US$35.50/lb, the spot price for near-term delivery rose at a fairly steady rate over the March quarter ending at US$39.40/lb, an increase of almost 11%.
  - The uranium Term Price, which had risen from US$45.00/lb to US$50.00/lb in the December quarter, remained stable through the March quarter. As previously reported, the global term contracting volume reached about 80Mlb during CY2014, a significant increase over the CY2013 level of just over 20Mlb. However, as anticipated, U.S. utilities began to test the all-important long-term market (2017-2018 and beyond) late in the March quarter, with additional requests for offers expected during the June quarter. This term activity is likely to result in upward pressure on the Term Price through the remainder of the year.
  - Paladin remains convinced that production cut-backs across the sector instituted in CY2014, coupled with the recent operational production issues incurred during the March quarter at two major uranium production facilities, have contributed to increasing tightness in near-term supply.
  - In mid-March, Chinese authorities approved construction of two reactors at the Hongyanhe NPP located in Liaoning Province, the first approvals in the post-Fukushima era. Additionally, on 9 April, the National Development and Reform Commission gave approval for the construction of the Fuqing 5 & 6 reactors (Fujian Province), which must now receive approval from the State Council.
  - In Japan, Sendai 1 & 2 (Kyushu Electric Power Company) continued to progress towards restarting, as the District Court in Kagoshima rejected a petition requesting that the governmentally-approved restart be halted. The Sendai reactors could restart by June. In mid-February Takahama 3 & 4 (Kansai Electric Power Company) received safety approvals from the Nuclear Regulatory Authority with operations likely during the second half of 2015, depending upon the outcome of a District Court injunction halting the restart (Kansai Electric has appealed the provisional ruling). Finally, in early April, the ruling Liberal Democratic Party proposed a long-term energy plan for Japan that envisions nuclear providing at least 20% of electricity compared to the pre-Fukushima level of 27%.
  - On 15 April 2015, Cameco announced that the company had signed a long-term uranium sales agreement with the Department of Atomic Energy of India calling for the delivery of 7.1Mlb U_3O_8 over the period 2015-2020. While not the first uranium agreement by a Western uranium supplier and the Indian government, this contract is being heralded as a watershed event and will likely result in further such contracting in support of the growing Indian civilian nuclear power programme.

The documents comprising the Financial Report for the nine months ended 31 March 2015, including the Management Discussion and Analysis, Financial Statements and Certifications are attached and will be filed with the Company's other documents on Sedar (sedar.com) and on the Company's website (paladinenergy.com.au).

Generally Accepted Accounting Practice

The news release includes non-GAAP performance measures: C1 cost of production, non-cash costs as well as other income and expenses. The Company believes that, in addition to the conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Declaration

The information in this announcement that relates to minerals exploration and mineral resources is based on information compiled by David Princep BSc, FAusIMM (CP) who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Princep is a full-time employee of Paladin Energy Ltd. Mr. Princep consents to the inclusion of the information in this announcement in the form and context in which it appears.

Conference Call

Conference Call and Investor Update is scheduled for 06:30 Perth & Hong Kong, Friday 15 May 2015; 18:30 Toronto and 23:30 London, Thursday 14 May 2015. Details are included in a separate news release dated 11 May 2015.

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PALADIN ENERGY LTD

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE NINE MONTHS ENDED

31 MARCH 2015

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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 nine months ended 31 March 2015. The effective date of this report is 14 May 2015.

The financial information presented in this MD&A has been extracted from the attached financial statements. For the purpose of preparing our MD&A, we consider the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in market price or value of our shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company and its operations, including the Company's Quarterly Activities Report for each of the periods ended 30 September 2014, 31 December 2014 and 31 March 2015, and the most recent Annual Report for the year ended 30 June 2014 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.

NON IFRS MEASURE

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 a non-IFRS measure, is a widely used 'industry standard' term. We use this measure as a meaningful way to compare our performance from period to period. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. C1 cost information has been extracted from the financial statements and is unreviewed. For an analysis of total cost of sales refer to Note 11 to the financial statements. Refer to page 7 and 10 for reconciliation.

OVERVIEW

The Group has two uranium mines in Africa[1], 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.

[1] Langer Heinrich Mine, Namibia (operating). Kayelekera Mine, Malawi (on care and maintenance).

The main activities and results during the three months ended 31 March 2015 were:

OPERATIONS*

- Langer Heinrich Mine (LHM) produced 1.234Mlb U_3O_8 for the three months ended 31 March 2015, down 10% from the last quarter.
  - Feed grade for the quarter: 734ppm U_3O_8.
  - Recovery: 88.4% an increase of 0.2% from the last quarter.
  - Ore feed for the quarter of 860,337t, constrained mainly by the pre-leach thickener #2 centre well failure, which as reported in February, caused 12 days loss of full production.
  - Bicarbonate Recovery Project (BRP) successfully commissioned in March and operating above design. The extent of this project's success has far-reaching implications for the Langer operation now and into the future. BRP is expected to exceed design benefit by up to 100% and establish a new paradigm in carbonate uranium processing.

- Kayelekera Mine (KM) remains on care and maintenance.
  - Completion of restart study well advanced and expected by the end of June 2015.
  - Post quarter controlled release of treated water commenced to maintain water balance.

- C1 cost of production:
  - LHM unit C1 cost of production for the March 2015 quarter increased by 3% to US$29.4/lb U_3O_8 from US$28.6/lb in the December 2014 quarter.

- Paladin's FY2015 production guidance remains at 5.0 – 5.2Mlb U_3O_8.

- Lost time injury (LTI) frequency rate substantially reduced due to new initiatives and improvements implemented across the Group.

SALES AND REVENUE

- Sales revenue of US$16.7M for the quarter, selling 0.440Mlb U_3O_8 at an average price of US$38.0/lb U_3O_8 reflecting the timing of sales contracts. Sales revenue of US$125.3M for the nine months, selling 3.601Mlb U_3O_8 at an average of US$34.8/lb.

CORPORATE INITIATIVES

- Successful recapitalisation completed with the issue of a US$150M convertible bond.
  - US$300M November 2015 convertible bonds paid out by tender offer on 2 April 2015 (US$289.25M) with the balance US$10.75M to be paid out on 18 May 2015 through the exercise of the optional redemption right.

OTHER

- Uranium spot price increased to US$39.40/lb at the end of March 2015, an increase of 11% during the quarter. Spot price at end of December 2014 US$35.50/lb.
- Japan reactor restart programme continued to progress towards implementation.
- The Company's cost optimisation focus continues for both production and corporate costs.

* LHM production volumes and unit C1 cost of production for the quarters ended December 2014, September 2014, June 2014, March 2014 and December 2013 include an adjustment to in-circuit inventory relating to leached uranium within the process circuit.

FINANCIAL RESULTS FOR THE THREE MONTHS

	Change from 2014 to 2015	**THREE MONTHS ENDED 31 MARCH 2015**	**2014**	**2013**
Production volume (Mlb)	(43)%	1.234	2.160	1.992
Sales volume (Mlb)	(82)%	0.440	2.405	1.920
Realised sales price (US$/lb)	3%	38.0/lb	36.8/lb	55.2/lb
		US$M	**US$M**	**US$M**
Revenue	(81)%	17.1	88.6	106.4
Cost of Sales	81%	(16.4)	(87.0)	(89.0)
Impairment – inventory	N/A	-	-	(3.3)
Gross profit	**(56)%**	**0.7**	**1.6**	**14.1**
Impairments	N/A	-	-	(44.8)
Loss after tax attributable to members of the parent	**37%**	**(12.6)**	**(19.9)**	**(54.1)**
Other comprehensive (loss)/income for the period, net of tax		(36.6)	8.9	(5.9)
Total comprehensive loss attributable to the members of the parent	**(347)%**	**(49.2)**	**(11.0)**	**(60.0)**
Loss per share - basic & diluted (US cents)	60%	(0.8)	(2.0)	(6.1)

References below to 2015 and 2014 are to the equivalent three months ended 31 March 2015 and 2014 respectively.

Revenue decreased by 81%, due to the low sales volume this quarter resulting from a build-up of inventory at LHM for sale of product to CNNC in late April. Additionally there were no sales from KM as the last of KM finished goods were sold in December 2014.

Gross Profit decreased by 56% in 2015 due to the lower sales volume explained above.

Loss after Tax Attributable to the Members of the Parent for 2015 of US$12.6M is lower than the loss of US$19.9M in 2014, and is predominantly due to the recognition of an income tax benefit on the issue of the US$150M convertible bond.

Three Year Trend

Revenue has decreased by 84% since 2013 due to a 31% decrease in realised sales price and a 77% decrease in sales volume. Gross profit in 2015 of US$0.7M is lower than the gross profit in 2013 of US$14.1M due to lower sales prices and sales volumes in 2015 being partially offset, in 2013, by an impairment of inventory, stores and consumables at KM of US$3.3M and a gross loss from KM.

ANALYSIS OF REALISED SALES PRICE AND SALES & PRODUCTION VOLUMES

	THREE MONTHS ENDED 31 MARCH		
	% Change	**2015 US$**	**2014 US$**
LHM realised uranium sales price	Nil%	US$38.0/lb	US$38.1/lb
KM realised uranium sales price	N/A	-	US$35.0/lb
Group realised uranium sales price	**3%**	**US$38.0/lb**	**US$36.8/lb**
		Mlb U_3O_8	**Mlb U_3O_8**
LHM sales volume	(69)%	0.440	1.405
KM sales volume	(100)%	-	1.000
Total sales volume	**(82)%**	**0.440**	**2.405**
LHM production	(16)%	1.234	1.463
KM production	(100)%	-	0.697
Total production	**(43)%**	**1.234**	**2.160**

The average realised uranium sales price for the three months ended 31 March 2015 was US$38.0/lb U_3O_8 compared to the TradeTech weekly spot price average for the quarter of US$37.90/lb U_3O_8.

RECONCILIATION OF C1 COST OF PRODUCTION TO COST OF GOODS SOLD (UNAUDITED)

	THREE MONTHS ENDED 31 MARCH 2015			THREE MONTHS ENDED 31 MARCH 2014		
	LHM	**KM**	**TOTAL**	**LHM**	**KM**	**TOTAL**
Volume Produced (Mlb)	*1.234*	*-*	*1.234*	*1.463*	*0.697*	*2.160*
	US$M	US$M	US$M	US$M	US$M	US$M
Cost of Production (C1)	36.3	-	36.3	40.4	22.9	63.3
Cost of Production/lb (C1)	*US$29.4/lb*	-		*US$27.6/lb*	*US$32.9/lb*	
Depreciation & amortisation	6.3	-	6.3	10.8	2.4	13.2
Production distribution costs	1.2	-	1.2	1.7	1.7	3.4
Royalties	0.4	-	0.4	(0.1)	1.3	1.2
Inventory movement	(27.6)	-	(27.6)	(4.5)	7.5	3.0
Other	(0.2)	-	(0.2)	(0.3)	3.2	2.9
Cost of goods sold	**16.4**	**-**	**16.4**	**48.0**	**39.0**	**87.0**

The unit C1 cost of production for the quarter for LHM increased by 7% to US$29.4/lb U_3O_8 (2014: US$27.6/lb U_3O_8); however total C1 cost of production has decreased by 10% to US$36.3M.

Production ceased at KM on 6 May 2014.

ANALYSIS OF ADMINISTRATION, MARKETING & NON-PRODUCTION COSTS

	% Change	THREE MONTHS ENDED 31 MARCH 2015 US$M	2014 US$M
Total	**6%**	**(4.5)**	**(4.8)**

Costs for the three months ended 31 March 2015 decreased by US$0.3M primarily due to a reduction of US$0.2M in non-production mine site costs as KM has been placed on care and maintenance.

FINANCIAL RESULTS FOR THE NINE MONTHS

	Change from 2014 to 2015	NINE MONTHS ENDED 31 MARCH 2015	2014	2013
Production volume (Mlb)	(42)%	3.701	6.342	6.112
Sales volume (Mlb)	(47)%	3.601	6.853	5.928
Realised sales price (US$/lb)	(8)%	34.8/lb	37.9/lb	50.8/lb
		US$M	**US$M**	**US$M**
Revenue	(51)%	126.8	260.1	301.9
Cost of Sales	54%	(122.2)	(262.8)	(262.8)
Impairment – inventory	100%	-	(24.9)	(13.7)
Gross profit/(loss)	**117%**	**4.6**	**(27.6)**	**25.4**
Impairments	99%	(1.7)	(327.9)	(140.8)
Loss after tax attributable to members of the parent	**74%**	**(71.9)**	**(274.9)**	**(247.7)**
Other comprehensive (loss)/income for the period, net of tax		(104.2)	(11.2)	17.0
Total comprehensive loss attributable to the members of the parent	**38%**	**(176.1)**	**(286.1)**	**(230.7)**
Loss per share - basic & diluted (US cents)	79%	(5.5)	(26.7)	(29.6)

References below to 2015 and 2014 are to the equivalent nine months ended 31 December 2015 and 2014 respectively.

Revenue in 2015 decreased by 51%, due to an 8% decrease in realised sales price and a 47% decrease in sales volume mainly due to a 93% decrease in sales volume from KM as it is now on care and maintenance with production ceasing on 6 May 2014.The last of KM finished goods were sold in December 2014.

Gross Profit in 2015 of US$4.6M is a turnaround from a US$27.6M gross loss in 2014 due to there being no impairment of inventory, stores and consumables in 2015 (2014: US$24.9M impairment of KM inventory, stores and consumables). The gross loss in 2014 included a gross loss before impairments from KM of US$10.4M.

Impairments of US$1.7M were recognised in 2015 relating to the impairment of available-for-sale financial assets predominantly due to the impairment of the investment in Deep Yellow Ltd (DYL). In 2014, the US$327.9M total impairment was predominantly due to the impairment of the Queensland exploration assets of US$323.6M (US$226.5M after tax).

(All figures are in US dollars unless otherwise indicated)

Loss after Tax Attributable to the Members of the Parent for 2015 of US$71.9M is lower than the loss of US$274.9M in 2014, and is predominantly due to a 47% decrease in sales volume, an 8% decrease in realised sales price, finance costs of US$44.5M, and a tax expense of US$11.9M, which has arisen as a result of deferred tax recognised on foreign exchange temporary differences which are partially offset by the recognition of an income tax benefit on the issue of the US$150M convertible bond. In 2014, the loss was predominantly due to the impairment of the Queensland exploration assets discussed earlier.

Segment Information
The Namibian segment profit decreased by US$29.3M, due mainly to the tax expense in 2015, which has arisen as a result of deferred tax recognised on foreign exchange temporary differences. The Malawian segment loss decreased by US$33.8M as a result of KM ceasing production and being placed on care and maintenance. Exploration activities loss has decreased by US$225.4M predominantly due to the impairment of Queensland projects in 2014 discussed earlier. In the Unallocated portion, the Group reflected the remaining Income Statement activities, which for 2015 comprise mainly marketing, corporate, finance and administration costs. The loss (costs) in this area has decreased by US$11.8M through a cost rationalisation review and due to the recognition of an income tax benefit on the issue of the US$150M convertible bond.

Three Year Trend
Revenue has decreased by 58% since 2013, due to a 31% decrease in realised sales price and a 39% decrease in sales volume. Gross profit in 2015 of US$4.6M is lower than the gross profit in 2013 of US$25.4M, due to lower sales prices and sales volumes in 2015 being partially offset, in 2013, by an impairment of inventory, stores and consumables at KM of US$13.7M and a gross loss from KM.

ANALYSIS OF REALISED SALES PRICE AND SALES & PRODUCTION VOLUMES

	NINE MONTHS ENDED 31 MARCH		
	% Change	**2015 US$**	**2014 US$**
LHM realised uranium sales price	(10)%	US$34.9/lb	US$38.7/lb
KM realised uranium sales price	(11)%	US$32.8/lb	US$36.7/lb
Group realised uranium sales price	**(8)%**	**US$34.8/lb**	**US$37.9/lb**
		Mlb U_3O_8	**Mlb U_3O_8**
LHM sales volume	(17)%	3.397	4.078
KM sales volume	(93)%	0.204	2.775
Total sales volume	**(47)%**	**3.601**	**6.853**
LHM production	(13)%	3.701	4.253
KM production	(100)%	-	2.089
Total production	**(42)%**	**3.701**	**6.342**

The average realised uranium sales price for the nine months ended 31 March 2015 was US$34.8/lb U_3O_8 compared to the TradeTech weekly spot price average for the nine months of US$35.6/lb U_3O_8.

RECONCILIATION OF C1 COST OF PRODUCTION TO COST OF GOODS SOLD (UNAUDITED)

	NINE MONTHS ENDED 31 MARCH 2015			NINE MONTHS ENDED 31 MARCH 2014		
	LHM	**KM**	**TOTAL**	**LHM**	**KM**	**TOTAL**
Volume Produced (Mlb)	*3.701*	*-*	*3.701*	*4.406*	*2.089*	*6.495*
	US$M	US$M	US$M	US$M	US$M	US$M
Cost of Production (C1)	111.6	-	111.6	119.6	72.7	192.3
Cost of Production/lb (C1)	*US$30.2/lb*	-		*US$27.1/lb*	*US$34.8/lb*	
Depreciation & amortisation	18.8	-	18.8	26.2	7.9	34.1
Production distribution costs	4.1	-	4.1	4.9	5.2	10.1
Royalties	3.7	-	3.7	2.8	3.6	6.4
Inventory movement	(22.2)	6.8	(15.4)	(2.3)	19.7	17.4
Other	(0.6)	-	(0.6)	(0.7)	3.2	2.5
Cost of goods sold	**115.4**	**6.8**	**122.2**	**150.5**	**112.3**	**262.8**

The unit C1 cost of production for the nine months for LHM increased by 11% to US$30.2/lb U_3O_8 (2014: US$27.1/lb U_3O_8); however, total C1 cost of production decreased by 7%, to US$111.6M.

Production ceased at KM on 6 May 2014.

ANALYSIS OF ADMINISTRATION, MARKETING & NON-PRODUCTION COSTS

		NINE MONTHS ENDED 31 MARCH	
	% Change	**2015 US$M**	**2014 US$M**
Total	**18%**	**(14.7)**	**(18.0)**

Costs for the nine months ended 31 March 2015 decreased by US$3.3M, primarily due to a reduction of US$2.8M in non-production mine site costs as KM has been placed on care and maintenance.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

		2015 Mar Qtr	**2014 Dec Qtr**	**2014 Sep Qtr**	**2014 Jun Qtr**
LHM					
Production U_3O_8*	**Mlb**	1.234	1.377	1.090	1.416
C1 cost of production*	**US$/lb**	29.4	28.6	33.0	29.5
KM					
Production U_3O_8	**Mlb**	-	-	-	0.262
C1 cost of production	**US$/lb**	-	-	-	44.7
Total revenues	**US$M**	17.1	70.4	39.3	69.4
Sales volume	**Mlb**	0.440	1.911	1.250	1.812
Realised uranium sales price	**US$/lb**	38.0	36.4	31.2	38.2
Impairments	**US$M**	-	(1.7)	-	(40.6)
Loss after tax attributable to members	**US$M**	(12.6)	(20.5)	(38.8)	(63.5)
Basic and diluted loss per share	**US cents**	(0.8)	(1.7)	(3.8)	(6.2)

		2014 Mar Qtr	**2013 Dec Qtr**	**2013 Sep Qtr**	**2013 Jun Qtr**
LHM					
Production U_3O_8*	**Mlb**	1.463	1.514	1.429	1.353
C1 cost of production*	**US$/lb**	27.6	26.0	28.0	29.4
KM					
Production U_3O_8	**Mlb**	0.697	0.777	0.615	0.790
C1 cost of production	**US$/lb**	32.9	33.1	39.3	39.2
Total revenues	**US$M**	88.6	102.1	69.4	109.6
Sales volume	**Mlb**	2.405	2.775	1.673	2.326
Realised uranium sales price	**US$/lb**	36.8	36.7	41.4	46.2
Impairments	**US$M**	-	(337.3)	(15.5)	(181.4)
Loss after tax attributable to members	**US$M**	(19.9)	(215.0)	(40.0)	(173.3)
Basic and diluted loss per share	**US cents**	(2.0)	(21.2)	(3.9)	(19.6)

* LHM production volumes and unit C1 cost of production for the quarters ended December 2014, September 2014, June 2014, March 2014 and December 2013 include an adjustment to in-circuit inventory relating to leached uranium within the process circuit.

The unit C1 cost of production for LHM increased 7% over the last year, from US$27.6/lb in the March 2014 quarter to US$29.4/lb in the March 2015 quarter, due to lower production as discussed earlier.

Improvements in C1 costs are expected over the next two years due to a number of additional cost saving initiatives.

The BRP was commissioned in early March and reached design capacity within the same day. Apart from minor downtime to complete priority construction punch list items, the plant has run continuously at or above design throughput since then. The process performance of the plant is substantially better than predicted, and bicarbonate recovery levels will be much higher than forecast. Anticipated substantial reductions in reagent consumption, a notable reduction in certain plant processing constraints and improvements in soluble recoveries were immediately apparent and in the light of the plant's current performance, the Company now expects the BRP to exceed design expectation and consequent direct savings by up to 100% without need for further commitment of capital expenditure.

In addition to the direct savings, there are a number of indirect savings and recovery improvements that were expected. These too are being realised at a substantially greater level. One of these indirect benefits is a reduction in soluble loss that has allowed the recognition of additional dissolved uranium inventory within Tailings Facility TSF3, which will now be converted to drummed product in the normal course of operations. A consequential adjustment was required, and has been made, for all production since TSF3 was commissioned in October 2013.

The high degree of success from this project also augers very well for the ongoing innovation programme and subsequent expected reductions in C1 costs.

With BRP performing at levels well above the design expectation, some aspects of the innovation strategy for the site can now be realised earlier than expected. It introduces a new paradigm for the carbonate uranium process route that will continue to bear significant additional and sustainable recovery benefits and unit cost savings in the near to medium term. This will also allow the realisation of expected C1 cost reductions earlier than previously thought. The next phase of work to further improve plant performance is scheduled for completion by the end of FY2016.

The cost optimisation strategy will remain focused on process recovery, operator training and continuity of operation, all of which are capable of delivering sustained benefits in the short and medium term.

Total revenue for the quarter ended March 2015 was lower than the comparative quarter, because of lower uranium sales volumes. Total revenues for the quarters ended June 2014, September 2014 and December 2014 were lower than the comparative quarters, due to lower uranium prices and lower sales volumes. Additionally, KM is now in care and maintenance with production ceasing on 6 May 2014.

Certain Balance Sheet items are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION		AS AT	
	31 MARCH 2015 UNAUDITED US$M	**30 JUNE 2014 AUDITED US$M**	**30 JUNE 2013 AUDITED US$M**
Cash and cash equivalents	469.6	88.8	78.1
Inventories	263.9	238.3	300.2
Total assets	1,664.8	1,565.7	1,837.7
Interest bearing loans and borrowings	730.7	629.6	677.8
Total long-term financial liabilities	901.3	1,049.1	1,058.1
Net Assets	**422.1**	**432.4**	**648.2**

Cash and Cash Equivalents have increased by US$380.8M, mainly as a result of the final US$170.0M proceeds received in July 2014 from the sale of a 25% interest in LHM, US$119.7M from the entitlement offer, US$52.7M from the share placement to HOPU, and the proceeds from the issue of a US$150.0M convertible bond at 31 March 2015, which have been partially offset by a US$35.4M repayment of the LHM project finance facility and syndicated loan and costs attributable to the capital raisings. Additionally, there were payments for plant and equipment of US$9.7M, exploration and evaluation project expenditure of US$4.4M and net interest paid of US$14.9M.

Inventories have increased by US$25.6M, mainly due to a build-up of inventory for sale of product to CNNC in late April.

Interest Bearing Loans and Borrowings have increased by US$101.1M, primarily as a result of the issue of a US$150M convertible bond on 31 March 2015, which has been partially offset by US$35.4M repayment of the LHM project finance facility and syndicated loan, establishment costs for the new syndicated loan of US$3.1M, convertible bond raising costs of US$3.8M less non-cash accretion of the convertible bonds of US$14.6M.

Segment Assets: Namibian assets have increased predominantly due to an increase in inventory. Malawian assets have decreased as a result of a decrease in the value of inventory held by KM, as all finished product has now been sold, and a decrease in cash and trade debtors. KM is on care and maintenance. The Exploration segment assets have decreased as a result of a decrease in the US dollar value of exploration assets, which is due to the decremental foreign exchange movement of the Australian and Canadian dollar currencies against the US dollar. In the Unallocated portion, assets increased primarily due to an increase in cash from the placement and entitlement offer and the issue of a US$150M convertible bond.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 31 March 2015, was cash of US$469.6M (30 June 2014: US$88.8M). 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$466.0M is held in US dollars.

Cash flow - three months ended 31 March 2015

Net Cash Outflow from Operating Activities was US$6.8M in 2015 (2014: inflow US$29.2M), primarily due to receipts from customers of US$50.6M (2014: US$104.3M), which were offset by payments to suppliers and employees of US$57.5M (2014: US$74.6M).

Net Cash Outflow from Investing Activities was US$3.1M in 2015 and is due to plant and equipment acquisitions of US$2.3M as well as capitalised exploration expenditure of US$0.8M. The net cash outflow of US$6.2M in 2014 was due to plant and equipment acquisitions of US$4.2M as well as capitalised exploration expenditure of US$2.4M.

Net Cash Inflow from Financing Activities of US$146.0M in 2015 is attributable to the net proceeds received from the convertible bond issue of US$146.2M, and has been partially offset by US$0.2M in equity capital raising costs. The net outflow in 2014 of US$18.8M was mainly attributable to repayment of project financing of US$125.8M, partially offset by a drawdown in debt funding of US$110.0M.

Cash flow - nine months ended 31 March 2015

Net Cash Outflow from Operating Activities was US$47.2M in 2015 (2014: inflow US$33.5M), primarily due to receipts from customers of US$142.6M (2014: US$309.5M), which were offset by payments to suppliers and employees of US$174.6M (2014: US$258.4M) and net interest paid of US$14.9M (2014: US$16.5M).

Net Cash Outflow from Investing Activities was US$12.8M in 2015 and is due primarily to plant and equipment acquisitions of US$9.7M, including, at LHM, the BRP and spiral heat exchangers, as well as capitalised exploration expenditure of US$3.2M. The net cash outflow of US$23.4M in 2014 was due primarily to plant and equipment acquisitions of US$19.2M, predominantly the new tailings facility at LHM and BRP and tailings pipeline at KM, as well as capitalised exploration expenditure of US$5.0M.

Net Cash Inflow from Financing Activities of US$443.0M in 2015 is attributable to the proceeds received from the sale of a 25% interest in LHM for US$170M, from the entitlement offer of US$119.7M, from the share placement to HOPU of US$52.7M and from the convertible bond issue of US$150M, and has been partially offset by a US$35.4M repayment of the LHM project finance and syndicated loan facility, US$1.5M in syndicated loan facility establishment costs, US$3.0M in costs attributable to sale of a non-controlling interest in LHM, US$5.7M in equity capital raising costs and US$3.8M in convertible bond raising costs. The net inflow in 2014 of US$15.5M was attributable to the net proceeds received from the share placement of US$80.7M and from the drawdown of debt funding of US$110.0M, which was partially offset by a repayment of project financing of US$169.6M.

DEBT REFINANCING

As at 31 March 2015, the Group had a net working capital surplus of US$253.9M (30 June 2014: US$288.5M), including cash on hand of US$469.6M (30 June 2014: US$88.8M). Included within this cash on hand is US$31.3M (30 June 2014: US$13.2M), which is restricted for use in respect of the LHM syndicated loan facility and supplier guarantees provided by LHM.

The amount outstanding at 31 March 2015 on the syndicated loan facility was US$65.5M.

Repayment obligations during the next twelve months to 31 March 2016 in respect of interest bearing loans and borrowings are summarised as follows:

- secured bank loan principal repayments of US$9.1M for syndicated loan facility;
- interest payments of US$30.6M for syndicated loan facility, 2012 (due 2017) and 2015 (due 2020) unsecured convertible bonds; and
- US$304.6M repurchase of 2010 (due 2015) unsecured convertible bonds. On 2 April 2015 US$293.6M (US$289.25M plus accrued interest of US$4.3M) and, on 18 May 2015, US$11.0M (US$10.75M plus accrued interest of US$0.2M).

In December 2014, the Group successfully completed an equity capital raising of A$205M through the introduction of a strategic investor, together with completion of a well-supported entitlement offer.

On 31 March 2015, the Company issued a US$150M convertible bond with a coupon rate of 7.00% maturing on 31 March 2020 and a conversion price of US$0.356 for Company shares. US$100M was issued to high quality institutional investors, whilst US$50M was issued to Leader Investment Corporation, a controlled subsidiary of China Investment Corporation (CIC), one of the largest sovereign wealth funds in the world. The issue was approved by shareholders on 30 March 2015.

The proceeds from the convertible bond issue, along with the existing cash balance, were used to fund a concurrent tender offer to acquire the outstanding US$300M convertible bonds due November 2015, issued by the Company on 4 November 2010.

At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to meet its obligations as and when they fall due.

The following is a summary of the Group's outstanding commitments as at 31 March 2015:

Payments due by period	Total US$M	Less than 1yr US$M	1 to 5yrs US$M	5yrs+ or Unknown US$M
Tenements	21.7	0.8	9.9	11.0
Operating leases	1.1	0.8	0.3	-
Mining, transport and reagents	29.3	27.4	1.9	-
Manyingee acquisition costs	0.6	-	-	0.6
Total commitments	**52.7**	**29.0**	**12.1**	**11.6**

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A$0.75M (US$0.58M) by the Group to the vendors when all project development approvals are obtained.

The Group has no other material off balance sheet arrangements.

(All figures are in US dollars unless otherwise indicated)

OUTSTANDING SHARE INFORMATION

As at 14 May 2015, Paladin had 1,666,927,668 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 May 2015	Number
Ordinary shares	1,666,927,668
Issuable under Employee Performance Share Rights Plan	788,754
Issuable in relation to the US$274M Convertible Bonds	149,726,776
Issuable in relation to the US$150M Convertible Bonds	421,348,315
Total	**2,238,791,513**

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 31 March 2015, the Group had 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 syndicated loan facility 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 or liabilities apart from Namibian dollar cash, receivables, payables and provisions and Australian dollar cash and, 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 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 nine months ended 31 March 2015, no payments were made to Director related entities. Directors of the Company receive fees as outlined in the Company's management circular forming part of the Company's Notice of AGM. The only related party transactions are with Directors and Key Management Personnel.

DISCLOSURE CONTROLS

The Group has applied its Disclosure Control Policy to the preparation of the Consolidated Financial Report for the nine months ended 31 March 2015 and associated Management Discussion and Analysis. 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 nine months ended 31 March 2015. 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 31 March 2015.

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 ICFR have improved and will continue to improve the Group's framework of internal control in relation to financial reporting.

SUBSEQUENT EVENTS

Other than disclosed below, since 31 March 2015, 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, with the exception of the following, the financial effects of which have not been provided for in the 31 March 2015 Financial Report.

Tender Offer for 2010 Convertible Bonds due 2015

On 2 April 2015, the Company repurchased an aggregate principal amount of US$289.25M of the November 2010 convertible bonds for a total consideration (inclusive of accrued interest on the accepted bonds to the settlement date of US$4.3M) of US$293.6M. The consideration was funded using the net proceeds of issue of the March 2015 convertible bonds of US$146.25M together with US$147.35M of the Company's cash balances.

Exercise of Optional Redemption Right in relation to Outstanding 2010 Convertible Bonds due 2015

On 17 April 2015, the Company announced the exercise of its optional redemption right in respect of the US$10.75M November 2010 convertible bonds, which remain outstanding following settlement of the tender offer. The redemption date for the convertible bonds will be 18 May 2015 and they will be redeemed at their outstanding principal amount plus accrued interest to the redemption date.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT

EXPRESSED IN US DOLLARS

	Notes	Three months ended 31 March 2015 US$M	Three months ended 31 March 2014 US$M	Nine months ended 31 March 2015 US$M	Nine months ended 31 March 2014 US$M
Revenue					
Revenue	10	17.1	88.6	126.8	260.1
Cost of sales	11	(16.4)	(87.0)	(122.2)	(262.8)
Impairment – inventory		-	-	-	(24.9)
Gross profit/(loss)		0.7	1.6	4.6	(27.6)
Other income	11	1.1	0.3	4.8	0.4
Exploration and evaluation expenses	19	(0.3)	(0.3)	(1.2)	(1.2)
Administration, marketing and non- production costs	11	(4.5)	(4.8)	(14.7)	(18.0)
Other expenses	11	(4.3)	-	(18.1)	(333.7)
Loss before interest and tax		(7.3)	(3.2)	(24.6)	(380.1)
Finance costs	11	(15.0)	(17.0)	(44.5)	(44.9)
Net loss before income tax		**(22.3)**	**(20.2)**	**(69.1)**	**(425.0)**
Income tax benefit/(expense)	12	8.5	(0.3)	(11.9)	102.3
Net loss after tax		**(13.8)**	**(20.5)**	**(81.0)**	**(322.7)**
Attributable to:					
Non-controlling interests		(1.2)	(0.6)	(9.1)	(47.8)
Members of the parent		(12.6)	(19.9)	(71.9)	(274.9)
Net loss after tax				**(81.0)**	**(322.7)**
		(13.8)	**(20.5)**		**(302.3)**
Loss per share (US cents)[(1)]					
Loss after tax from operations attributable to ordinary equity holders of the Company - basic and diluted (US cents)		(0.8)	(2.0)	(5.5)	(26.7)

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

(1) The loss per share calculations for all periods prior to 31 March 2015 have been adjusted by factors of 1.03 and 1.02 to reflect the bonus element of the institutional and retail entitlement offers.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EXPRESSED IN US DOLLARS

	Three months ended 31 March		Nine months ended 31 March	
	2015 US$M	2014 US$M	2015 US$M	2014 US$M
Net loss after tax from operations	**(13.8)**	**(20.5)**	**(81.0)**	**(322.7)**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Transfer of realised gains to other income on disposal of available-for-sale financial assets	-	-	(0.4)	(0.3)
Net loss on available-for-sale financial assets	(0.3)	3.2	(2.6)	(0.8)
Transfer of impairment loss on available-for-sale financial assets to income statement	-	-	1.7	4.3
Foreign currency translation	(36.4)	5.9	(103.3)	(14.3)
Income tax on items of other comprehensive income	0.2	(0.2)	0.5	(0.1)
Items that will not be subsequently reclassified to profit or loss:				
Foreign currency translation attributable to non-controlling interests	(1.5)	1.2	(5.6)	(0.8)
Other comprehensive (loss)/income for the period, net of tax	**(38.0)**	**10.1**	**(109.7)**	**(12.0)**
Total comprehensive loss for the period	**(51.8)**	**(10.4)**	**(190.7)**	**(334.7)**
Total comprehensive loss attributable to:				
Non-controlling interests	(2.6)	0.6	(14.6)	(48.6)
Members of the parent	(49.2)	(11.0)	(176.1)	(286.1)
	(51.8)	(10.4)	(190.7)	(334.7)

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 31 March 2015 Unaudited US$M	As at 30 June 2014 Audited US$M
ASSETS			
Current assets			
Cash and cash equivalents	5	469.6	88.8
Trade and other receivables	13	16.5	198.7
Prepayments		4.0	3.3
Inventories	14	101.4	78.1
Assets classified as held for sale	15	3.8	3.8
TOTAL CURRENT ASSETS		595.3	372.7
Non current assets			
Trade and other receivables	13	0.7	1.0
Inventories	14	162.5	160.2
Other financial assets	16	3.7	6.6
Property, plant and equipment	17	275.6	281.8
Mine development	18	44.7	43.9
Exploration and evaluation expenditure	19	570.5	687.3
Intangible assets	20	11.8	12.2
TOTAL NON CURRENT ASSETS		1,069.5	1,193.0
TOTAL ASSETS		1,664.8	1,565.7
LIABILITIES			
Current liabilities			
Trade and other payables		35.9	39.3
Interest bearing loans and borrowings	6	302.0	39.4
Provisions	21	3.5	5.5
TOTAL CURRENT LIABILITIES		341.4	84.2
Non current liabilities			
Interest bearing loans and borrowings	6	428.7	590.2
Other interest bearing loans - CNNC	7	98.0	96.0
Deferred tax liabilities		97.2	90.2
Provisions	21	77.4	72.7
Unearned revenue	22	200.0	200.0
TOTAL NON CURRENT LIABILITIES		901.3	1,049.1
TOTAL LIABILITIES		1,242.7	1,133.3
NET ASSETS		**422.1**	**432.4**
EQUITY			
Contributed equity	8(a)	2,095.3	1,926.9
Reserves		65.2	161.9
Accumulated losses		(1,705.8)	(1,633.9)
Parent interests		454.7	454.9
Non-controlling interests		(32.6)	(22.5)
TOTAL EQUITY		**422.1**	**432.4**

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 Exchange Revaluation Reserve US$M	Acquisition Reserve US$M	Option Application Reserve US$M	Consoli-dation Reserve US$M	Accumu-lated Losses US$M	Owners of the Parent US$M	Non-Controlling Interests US$M	Total US$M
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	-	-	-	-	-	-	-	-	(274.9)	(274.9)	(47.8)	(322.7)
Other comprehensive income	-	3.1	-	-	(14.3)	-	-	-	-	(11.2)	(0.8)	(12.0)
Total comprehensive income/ (loss) for the period, net of tax	-	3.1	-	-	(14.3)	-	-	-	(274.9)	(286.1)	(48.6)	(334.7)
Contributions of equity, net of transaction costs	78.1	-	-	-	-	-	-	-	-	78.1	-	78.1
Share-based payment	-	-	0.4	-	-	-	-	-	-	0.4	-	0.4
Vesting of performance rights	3.1	-	(3.1)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	**1,926.9**	**(1.1)**	**47.5**	**85.5**	**(54.0)**	**14.9**	**0.1**	**(0.2)**	**(1,570.4)**	**449.2**	**(57.2)**	**392.0**
Balance at 1 July 2014	**1,926.9**	**(3.6)**	**47.6**	**85.5**	**(38.4)**	**14.9**	**0.1**	**55.8**	**(1,633.9)**	**454.9**	**(22.5)**	**432.4**
Loss for the period	-	-	-	-	-	-	-	-	(71.9)	(71.9)	(9.1)	(81.0)
Other comprehensive income	-	(0.9)	-	-	(103.3)	-	-	-	-	(104.2)	(5.5)	(109.7)
Total comprehensive loss for the period, net of tax	-	(0.9)	-	-	(103.3)	-	-	-	(71.9)	(176.1)	(14.6)	(190.7)
Contributions of equity, net of transaction costs	166.7	-	-	-	-	-	-	-	-	166.7	-	166.7
Allotment of 15% interest in Paladin (Africa) to maintain Govt of Malawi's 15% ownership	-	-	-	-	-	-	-	(4.5)	-	(4.5)	4.5	-
Sale of 25% interest in Langer Heinrich to CNNC, net of costs	-	-	-	-	-	-	-	(3.0)	-	(3.0)	-	(3.0)
Convertible bond, equity component – net of transaction costs	-	-	-	16.1	-	-	-	-	-	16.1	-	16.1
Share-based payment	-	-	0.6	-	-	-	-	-	-	0.6	-	0.6
Vesting of performance rights	1.7	-	(1.7)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015	**2,095.3**	**(4.5)**	**46.5**	**101.6**	**(141.7)**	**14.9**	**0.1**	**48.3**	**(1,705.8)**	**454.7**	**(32.6)**	**422.1**

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 31 March		Nine months ended 31 March	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	50.6	104.3	142.6	309.5
Payments to suppliers and employees	(57.5)	(74.6)	(174.6)	(258.4)
Exploration and evaluation expenditure	(0.3)	(0.4)	(1.2)	(1.2)
Other income	0.1	-	0.9	0.1
Interest received	0.3	0.2	0.6	0.5
Interest paid	-	(0.3)	(15.5)	(17.0)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(6.8)	29.2	(47.2)	33.5
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(2.3)	(4.2)	(9.7)	(19.2)
Proceeds from sale of property, plant and equipment	-	0.4	-	0.4
Proceeds from sale of investments	-	-	0.3	0.4
Payments for available-for-sale investments	-	-	(0.2)	-
Capitalised exploration expenditure	(0.8)	(2.4)	(3.2)	(5.0)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(3.1)	(6.2)	(12.8)	(23.4)
CASH FLOWS FROM FINANCING ACTIVITIES				
Syndicated loan facility establishment costs	-	(3.0)	(1.5)	(3.1)
Repayment of borrowings	-	(125.8)	(35.4)	(169.6)
Proceeds from borrowings	-	110.0	-	110.0
Proceeds from sale of non-controlling interest	-	-	170.0	-
Costs relating to sale of non-controlling interest	-	-	(3.0)	-
Proceeds from issue of convertible bond	150.0	-	150.0	-
Convertible bond finance costs	(3.8)	-	(3.8)	-
Share placement	-	-	52.7	80.7
Proceeds from entitlement issue	-	-	119.7	-
Equity capital raising costs	(0.2)	-	(5.7)	(2.5)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	146.0	(18.8)	443.0	15.5
NET INCREASE IN CASH AND CASH EQUIVALENTS	136.1	4.2	383.0	25.6
Cash and cash equivalents at the beginning of the period	333.9	99.4	88.8	78.1
Effects of exchange rate changes on cash and cash equivalents	(0.4)	(0.3)	(2.2)	(0.4)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	469.6	103.3	469.6	103.3

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 nine months ended 31 March 2015 was authorised for issue in accordance with a resolution of the Directors on 14 May 2015.

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, the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe, as well as 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 18.

NOTE 2. BASIS OF PREPARATION

This general purpose condensed financial report for the nine months ended 31 March 2015 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.

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 2014 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 order 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 2014, the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2014. The Group has not elected to early adopt any new accounting standards and interpretations.

New standards adopted by the Group include:

<u>AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle – Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle</u>
AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. AASB 2014-1 has had no impact on the financial position and performance of the Group.

<u>AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</u>
AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. AASB 2013-3 has had no impact on the financial position and performance of the Group.

NOTE 3. DEBT REFINANCING

As at 31 March 2015, the Group had a net working capital surplus of US$253.9M (30 June 2014: US$288.5M), including cash on hand of US$469.6M (30 June 2014: US$88.8M). Included within this cash on hand is US$31.3M (30 June 2014: US$13.2M), which is restricted for use in respect of the LHM syndicated loan facility and supplier guarantees provided by LHM.

The amount outstanding at 31 March 2015 on the syndicated loan facility was US$65.5M.

Repayment obligations during the next twelve months to 31 March 2016 in respect of interest bearing loans and borrowings are summarised as follows:

- secured bank loan principal repayments of US$9.1M for syndicated loan facility;

- interest payments of US$30.6M for syndicated loan facility, 2012 (due 2017) and 2015 (due 2020) unsecured convertible bonds; and

- US$304.6M repurchase of 2010 (due 2015) unsecured convertible bonds. On 2 April 2015 US$293.6M (US$289.25M plus accrued interest of US$4.3M) and, on 18 May 2015, US$11.0M (US$10.75M plus accrued interest of US$0.2M).

In December 2014, the Group successfully completed an equity capital raising of A$205M through the introduction of a strategic investor, together with completion of a well-supported entitlement offer.

On 31 March 2015, the Company issued a US$150M convertible bond with a coupon rate of 7.00% maturing on 31 March 2020 and a conversion price of US$0.356 for Company shares. US$100M was issued to high quality institutional investors, whilst US$50M was issued to Leader Investment Corporation, a controlled subsidiary of CIC, one of the largest sovereign wealth funds in the world. The issue was approved by shareholders on 30 March 2015.

The proceeds from the convertible bond issue, along with the existing cash balance, were used to fund a concurrent tender offer to acquire the outstanding US$300M convertible bonds due November 2015, issued by the Company on 4 November 2010.

At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to meet its obligations as and when they fall due.

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 UxC spot rate.

Corporate charges comprise 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 syndicated loan facility interest and borrowing expense; and
- 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 to 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 nine months ended 31 March 2015 and 31 March 2014.

Nine months ended 31 March 2015	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	118.6	6.7	-	125.3
Other revenue	-	0.1	0.2	1.2	1.5
Total consolidated revenue	-	118.7	6.9	1.2	126.8
Cost of goods sold	-	(115.4)	(6.8)	-	(122.2)
Gross profit	-	3.3	0.1	1.2	4.6
Write off of exploration and evaluation	(1.4)	-	-	-	(1.4)
Impairment of asset	-	-	-	(1.7)	(1.7)
Other income and expenses	(1.1)	(1.7)	(12.9)	(10.4)	(26.1)
Segment (loss)/profit before income tax and finance costs	(2.5)	1.6	(12.8)	(10.9)	(24.6)
Finance costs	-	(7.6)	(1.7)	(35.2)	(44.5)
Loss before income tax	(2.5)	(6.0)	(14.5)	(46.1)	(69.1)
Income tax benefit/(expense)	0.8	(18.0)	-	5.3	(11.9)
Loss after income tax	(1.7)	(24.0)	(14.5)	(40.8)	(81.0)
At 31 March 2015					
Segment total assets	**573.5**	**635.6**	**15.0**	**440.7**	**1,664.8**

Nine months ended 31 March 2014	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	157.7	101.9	-	259.6
Other revenue	-	-	-	0.5	0.5
Total consolidated revenue	-	157.7	101.9	0.5	260.1
Cost of goods sold	-	(150.5)	(112.3)	-	(262.8)
Impairment of inventory, stores and consumables	-	-	(24.9)	-	(24.9)
Gross profit/(loss)	-	7.2	(35.3)	0.5	(27.6)
Impairment of exploration and evaluation	(323.6)	-	-	-	(323.6)
Other income and expenses	(0.8)	(1.2)	(7.9)	(19.0)	(28.9)
Segment (loss)/profit before income tax and finance costs	(324.4)	6.0	(43.2)	(18.5)	(380.1)
Finance costs	-	(5.9)	(5.1)	(33.9)	(44.9)
Loss before income tax	(324.4)	0.1	(48.3)	(52.4)	(425.0)
Income tax benefit/(expense)	97.3	5.2	-	(0.2)	102.3
(Loss)/profit after income tax	(227.1)	5.3	(48.3)	(52.6)	(322.7)
At 30 June 2014					
Segment total assets	**691.3**	**615.9**	**47.0**	**211.5**	**1,565.7**

NOTE 5. CASH AND CASH EQUIVALENTS

	31 March 2015 US$M	30 June 2014 US$M
Cash at bank and on hand	2.3	10.3
Short-term bank deposits	467.3	78.5
Total cash and cash equivalents	**469.6**	**88.8**

Total cash and cash equivalents includes US$31.3M (30 June 2014: US$13.2M) restricted for use in respect of the LHM syndicated loan facility (refer to Note 6) and supplier guarantees provided by LHM.

NOTE 6. INTEREST BEARING LOANS AND BORROWINGS

Current	**Maturity**		
Unsecured convertible bonds[1]	2015	293.5	-
Secured bank loans		8.5	39.4
Total current interest bearing loans and borrowings		**302.0**	**39.4**
Non Current			
Unsecured convertible bonds[1]	2015	-	285.8
Unsecured convertible bonds[2]	2017	251.9	245.0
Unsecured convertible bonds[3]	2020	122.8	-
Secured bank loan	amortised to 2019	54.0	59.4
Total non current interest bearing loans and borrowings		**428.7**	**590.2**

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

Unsecured convertible bonds

(1) On 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$4.688, for Company shares. On 2 April 2015, US$289.25M bonds were repurchased pursuant to a tender offer concurrent with the issue of US$150M 7.00% convertible bonds due 2020. The US$10.75M bonds, which remain outstanding following settlement of the tender offer, will be redeemed through the exercise of the Company's optional redemption right on 18 May 2015.

(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$1.83 for Company shares.

(3) On 31 March 2015, the Company issued US$150M in convertible bonds with a coupon rate of 7.00% (underlying effective interest rate of 12.34%) maturing on 31 March 2020, with a conversion price of US$0.356 for Company shares.

NOTE 6. INTEREST BEARING LOANS AND BORROWINGS (continued)

Unsecured convertible bonds (continued)

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 Entitlement Offer on 17 December 2014, the Conversion Prices have been adjusted as follows:

- Convertible bonds due 2015: US$4.688 (previously US$5.403); and
- Convertible bonds due 2017: US$1.83 (previously US$2.109).

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).

Secured bank loans

Langer Heinrich Mine, Namibia
On July 23 2014, the Company entered into agreements with its existing lenders to refinance the existing US$110M LHM project finance facility and US$20M working capital facility into a new US$70M Syndicated Facility Agreement. Proceeds from the LHM minority sale were utilised to repay US$30.8M of the existing facility, taking the outstanding balance to US$70M. The Borrower of the new facility remains Paladin Finance Pty Ltd ("PFPL"). The new facility has less security with neither Langer Heinrich Mauritius Holdings Limited ("LHMHL") nor Langer Heinrich Uranium (Pty) Ltd ("LHU") granting any security or providing any guarantees to support the new facility. The new facility is secured by a Share Pledge Agreement from PFPL over its 75% interest in LHMHL. The facility has a financial covenant holiday for the first four 6-monthly calculations periods commencing 31 December 2014. The first debt covenant ratios calculation date is 31 December 2016. The new facility is provided by Nedbank Capital, a division of Nedbank Limited, Nedbank Namibia Limited, along with the Standard Bank of South Africa Limited and Standard Bank Namibia Limited. The facility is repayable on a semi-annual basis over the term of the loan (five and a half years) commencing 31 December 2014 with seven instalments of US$4.454M and 3 instalments of US$9.545M and one of US$9.550M and bears interest at the LIBOR plus 5.50%. 50% of any distributions from LHU to PFPL are repayable to the financiers.

At 31 March 2015, US$65.5M (30 June 2014: US$100.8M) was outstanding under the syndicated loan facility. Transaction costs relating to the establishment of the facilities have been included as part of interest bearing loans and borrowings.

NOTE 7. OTHER INTEREST BEARING LOANS - CNNC

Non Current	Maturity	31 March 2015 US$M	30 June 2014 US$M
Intercompany loan assigned to CNNC	2016 to 2021	98.0	96.0
		98.0	**96.0**

As part of the sale of a 25% interest in the Langer Heinrich mining operation, US$96M (representing 25%) of the intercompany shareholder loans owing by LHU to PFPL were assigned to CNNC under the same interest rate (LIBOR plus a margin between 2% and 4.25%) and conditions as those presently existing.

Pursuant to the intercompany shareholder loan agreements, repayment dates range from 2016 to 2021, however, repayment is dependent on LHU generating sufficient free cash flows to repay the loans and the loans have not been guaranteed by Paladin Energy Ltd (Paladin). If LHU does not have sufficient funds to repay the intercompany shareholder loans, neither CNNC nor PFPL can demand repayment and repayment of the loans will be deferred.

All loan repayments from LHU will be paid on a pro rata basis against the outstanding balances, (i.e. 75% to PFPL and 25% to CNNC).

On consolidation, PFPL's 75% share of the LHU intercompany shareholder loans are eliminated against the intercompany shareholder loans receivable recorded in PFPL and therefore, they do not appear on Paladin's consolidated statement of financial position. As a result of the consolidation of 100% of LHU's assets and liabilities, LHU's liability of US$98.0M to CNNC is recognised on the consolidated statement of financial position.

NOTE 8. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares	31 March 2015	30 June 2014	31 March 2015	30 June 2014
	Number of Shares		US$M	US$M
Issued and fully paid	1,666,927,668	964,367,284	2,095.3	1,926.9

NOTE 8. CONTRIBUTED EQUITY (continued)

(b) Movements in ordinary shares on issue

Date		**Number of Shares**	**Issue**	**Exchange Price**	**Total Rate**
			A$	**US$: A$**	**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	-	-	-
November 2013	Rights vested	786,493	-	-	-
December 2013	Rights vested	85,437	-	-	-
January 2014	Rights vested	37,630	-	-	-
February 2014	Rights vested	125,650	-	-	-
	Transfer from share-based payments reserve			3.1	
	Transaction costs				(2.5)
Balance 30 June 2014		**964,367,284** (1)			**1,926.9**

(1) Includes 1,084 shares held by Paladin Employee Plan Pty Ltd.

Date		**Number of Shares**	**Issue**	**Exchange Price**	**Total Rate**
			A$	**US$: A$**	**US$M**
Balance 30 June 2014		964,367,284			1,926.9
September 2014	Rights vested	527,290	-	-	-
November 2014	Rights vested	857,544	-	-	-
November 2014	Share placement	144,862,817	0.42	1.15423	52.7
December 2014	Rights vested	1,003,238	-	-	-
December 2014	Institutional entitlement offer	191,530,053	0.26	1.18827	41.9
December 2014	Retail entitlement offer	363,779,442	0.26	1.21563	77.8
	Transfer from share-Based payments reserve			1.8	
	Transaction costs				(5.8)
Balance 31 March 2015		**1,666,927,668** (1)			**2,095.3**

(1) Includes 184 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 Company are as follows:

	31 March 2015 Number	**30 June 2014 Number**
Number of unlisted employee share rights	788,754	2,079,094

NOTE 9. 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 held by the Group:

	As at 31 March 2015 Unaudited US$M	As at 30 June 2014 Audited US$M
Financial assets:		
Cash and cash equivalents	469.6	88.8
Trade and other receivables – at amortised cost	16.5	198.7
Total current	**486.1**	**287.5**
Trade and other receivables - at amortised cost	0.7	1.0
Available-for-sale financial assets - at fair value	3.7	6.6
Total non-current	**4.4**	**7.6**
Total	**490.5**	**295.1**
Financial liabilities:		
Trade and other payables - at amortised cost	35.9	39.3
Interest bearing loans and borrowings - at amortised cost	302.0	39.4
Total current	**337.9**	**78.7**
Interest bearing loans and borrowings - at amortised cost	428.7	590.2
Other interest bearing loans - CNNC	98.0	96.0
Total non-current	**526.7**	**686.2**
Total	**864.6**	**764.9**

NOTE 9. FINANCIAL INSTRUMENTS (continued)

Fair Values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as at 31 March 2015:

	As at 31 March 2015		As at 30 June 2014	
	Carrying amount US$M	**Fair value US$M**	**Carrying amount US$M**	**Fair value US$M**
Financial liabilities				
Interest bearing loans and borrowings:				
- Secured bank loan	8.5[1]	9.1	39.4[1]	39.9
- Unsecured convertible bonds	293.5[1]	298.5	-	-
Total current	302.0	307.6	39.4	39.9
Interest bearing loans and borrowings				
- Secured bank loan	54.0[1]	56.4	59.4[1]	60.9
- Unsecured convertible bonds	374.7[1]	413.4	530.8[1]	491.7
Total non-current	428.7	469.8	590.2	552.6
Total	730.7	777.4	629.6	592.5

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

NOTE 9. 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:

	As at 31 March 2015				As at 30 June 2014			
	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 measured at fair value								
Available-for-sale investments								
Listed investments	3.7	-	-	3.7	6.6	-	-	6.6
	3.7	-	-	3.7	6.6	-	-	6.6
Financial liabilities for which fair values are disclosed								
Interest bearing loans and borrowings								
Floating rate borrowings(1)	-	65.5	-	65.5	-	100.8	-	100.8
Convertible bonds(2)	-	711.9	-	711.9	-	491.7	-	491.7
	-	777.4	-	777.4	-	592.5	-	592.5

(1) The fair value has been determined by discounting the future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
(2) The fair value has been determined using a valuation technique based on the quoted market price of the bonds less the equity component attributable to the conversion feature, which was valued using an option pricing model.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

NOTE 9. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist, and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 10. REVENUE

	Three months ended 31 March		**Nine months ended 31 March**	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**
Revenue				
Sale of uranium	16.7	88.6	125.3	259.6
Interest income from non-related parties	0.3	-	0.7	0.5
Other revenue	0.1	-	0.8	-
Total	**17.1**	**88.6**	**126.8**	**260.1**

NOTE 11. OTHER INCOME AND EXPENSES

Cost of Sales				
Costs before depreciation and amortisation	(13.4)	(81.5)	(115.4)	(235.6)
Depreciation and amortisation	(2.6)	(12.8)	(21.5)	(42.3)
Impairment loss reversed on sale of inventory	0.6	12.8	23.9	34.1
Product distribution costs	(0.6)	(4.3)	(5.2)	(13.2)
Royalties	(0.4)	(1.2)	(4.0)	(5.8)
Total	**(16.4)**	**(87.0)**	**(122.2)**	**(262.8)**
Other income				
Foreign exchange gain (net)	1.1	0.3	4.2	-
Gain on disposal of investment	-	-	0.6	0.4
Total	**1.1**	**0.3**	**4.8**	**0.4**

NOTE 11. OTHER INCOME AND EXPENSES (continued)

	Three months ended 31 March		Nine months ended 31 March	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**
Administration, marketing and non-production costs				
Corporate and marketing	(3.5)	(3.6)	(11.5)	(11.6)
LHM mine site	(0.9)	(0.4)	(2.2)	(1.2)
KM mine site	-	(0.2)	-	(2.8)
Other	(0.1)	(0.6)	(1.0)	(2.4)
Total	**(4.5)**	**(4.8)**	**(14.7)**	**(18.0)**
Other expenses				
Write off of exploration assets [1]	-	-	(1.4)	-
Impairment of exploration assets [2]	-	-	-	(323.6)
Impairment of available-for-sale financial assets	-	-	(1.7)	(4.3)
LHM fixed costs during plant shutdown	(1.0)	-	(3.7)	-
KM fixed costs during plant shutdown	-	-	-	(4.7)
KM care and maintenance expenses	(3.3)	-	(11.3)	-
Foreign exchange loss (net)	-	-	-	(1.1)
Total	**(4.3)**	**-**	**(18.1)**	**(333.7)**

[1] 2014, the licence for Spinifex Well was surrendered on 22 September 2014. All capitalised costs were written off.

[2] At 31 December 2013, due to the continuing depressed uranium price, an impairment charge of US$323.6M (US$226.5M after tax) was recognised to reduce the carrying value of the Queensland exploration assets. The estimated recoverable amount of the project of US$381.0M (US$325M net of deferred tax liability) was determined on the basis of fair value less costs to dispose, using a valuation range provided by recent comparable market transactions and other market indicators.

	Three months ended 31 March		Nine months ended 31 March	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**
Finance costs				
Interest expense	(8.3)	(8.5)	(25.1)	(25.5)
Accretion relating to convertible bonds (non-cash)	(5.0)	(4.5)	(14.7)	(13.5)
Unwind of discount on mine closure provision	(1.5)	(0.5)	(4.2)	(1.4)
Facility costs	(0.2)	(3.5)	(0.5)	(4.5)
Total	**(15.0)**	**(17.0)**	**(44.5)**	**(44.9)**

NOTE 12. INCOME TAX

Reconciliation of accounting loss to income tax benefit/expense

	Three months ended 31 March		Nine months ended 31 March	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**
Loss before income tax expense	(22.3)	(20.2)	(69.1)	(425.0)
Tax at the Australian rate of 30% (2014 – 30%)	6.7	6.1	20.7	127.5
Difference in overseas tax rates	0.1	(0.2)	0.1	2.5
Non-deductible items	(0.6)	(19.9)	25.5	10.5
Under/(over) prior year adjustment	-	5.1	(6.7)	5.1
Foreign exchange differences	(12.5)	(46.1)	(38.5)	4.3
Other	14.8	54.7	(13.0)	(47.6)
Income tax benefit/(expense) reported in Income Statement	**8.5**	**(0.3)**	**(11.9)**	**102.3**

NOTE 13. TRADE AND OTHER RECEIVABLES

	31 March 2015 US$M	**30 June 2014 US$M**
Current		
Trade receivables	1.0	18.9
GST and VAT	13.3	7.5
LHM purchase consideration receivable	-	170.0
Sundry debtors	2.2	2.3
Total current receivables	**16.5**	**198.7**
Non Current		
Sundry debtors	0.7	1.0
Total non current receivables	**0.7**	**1.0**

NOTE 14. INVENTORIES

	31 March 2015 US$M	30 June 2014 US$M
Current		
Stores and consumables (at cost)	9.3	7.5
Stores and consumables (at net realisable value)	3.0	2.8
Stockpiles (at cost)	12.8	7.1
Work-in-progress (at cost) [1]	19.0	-
Work-in-progress (at net realisable value)	-	5.1
Finished goods (at cost)	57.3	-
Finished goods (at net realisable value)	-	55.6
Total current inventories at the lower of cost and net realisable value	**101.4**	**78.1**

[1] Includes 364,653lb U_3O_8 not previously reported and consequential to an estimate change for recovery of leached uranium due to the continued better than expected performance of Tailings Dam TSF3 and the performance efficiencies gained from the recently commissioned Bicarbonate Recovery Project.

During the nine months ended 31 March 2014, an impairment of US$24.9M (2015: US$Nil) was required to reduce the cost of inventory, stores and consumables held at KM to net realisable value. This resulted in an impairment expense recognised in cost of sales.

	31 March 2015 US$M	30 June 2014 US$M
Non Current		
Stockpiles (at cost)	162.5	160.2
Total non current inventories at the lower of cost and net realisable value	**162.5**	**160.2**

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

NOTE 15. ASSETS CLASSIFIED AS HELD FOR SALE

	31 March 2015 US$M	30 June 2014 US$M
Plant and equipment	3.8	3.8
Total assets classified as held for sale	**3.8**	**3.8**

As a result of KM being placed on care and maintenance, the Company has made a decision to sell its aircraft and on 3 July 2014, a brokering agreement was signed for the sale of the aircraft. It is highly probable that the sale will be completed within the next twelve months.

NOTE 16. OTHER FINANCIAL ASSETS

	31 March 2015 US$M	30 June 2014 US$M
Available-for-sale financial assets	**3.7**	**6.6**

The Group has an investment in DYL, and at 31 March 2015, held 319,106,156 shares with a market value of US$3.4M (30 June 2014: 304,400,275 shares with a market value of US$5.5M).

The Group also holds minor investments in other companies.

NOTE 17. PROPERTY, PLANT AND EQUIPMENT

	31 March 2015 US$M	30 June 2014 US$M
Plant and equipment (at cost) [1]	710.6	706.6
Less accumulated depreciation and impairment	(450.2)	(436.1)
Total plant and equipment	260.4	270.5
Land and buildings (at cost) [2]	10.5	11.2
Less accumulated depreciation	(2.6)	(2.5)
Total land and buildings	7.9	8.7
Construction work in progress (at cost) [3]	10.9	5.8
Less impairment	(3.6)	(3.2)
Total construction work in progress	7.3	2.6
Total property, plant and equipment	**275.6**	**281.8**

(1) Includes additions of US$4.5M (30 June 2014: US$4.9M)
(2) Includes additions of US$NIL (30 June 2014: US$Nil)
(3) Includes additions of US$7.7M (30 June 2014: US$11.8M)

NOTE 18. MINE DEVELOPMENT

	31 March 2015 US$M	30 June 2014 US$M
Mine development (at cost) [1]	213.0	206.5
Less accumulated depreciation and impairment	(168.3)	(162.6)
Total mine development	**44.7**	**43.9**

(1) Includes additions of US$6.5M (30 June 2014: US$19.9M)

NOTE 19. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the nine months ended 31 March 2015:

Areas of interest	**Valhalla /Skal** [1]	**Isa North**	**Fusion**	**Angela/ Pamela**	**Bigrlyi**	**Niger**	**KM**	**Canada**	**Other Uranium Projects**	**Total**
	US$M	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**
Balance 30 June 2014	**332.5**	**60.5**	**11.3**	**-**	**10.3**	**-**	**-**	**263.3**	**9.4**	**687.3**
Acquisition property payments	-	-	-	-	-	-	-	-	0.4	0.4
Project exploration and evaluation expenditure										
Labour	0.1	0.1	-	-	-	-	0.1	1.3	0.4	2.0
Outside services	-	-	-	-	-	-	-	0.2	-	0.2
Other expenses	0.2	0.2	-	0.1	0.1	-	-	1.0	0.4	2.0
Total expenditure	0.3	0.3	-	0.1	0.1	-	0.1	2.5	0.8	4.2
Expenditure expensed	(0.3)	(0.3)	-	(0.1)	(0.1)	-	(0.1)	-	(0.3)	(1.2)
Expenditure capitalised	-	-	-	-	-	-	-	2.5	0.5	3.0
Foreign exchange differences	(60.0)	(11.6)	(2.1)	-	(1.9)	-	-	(41.5)	(1.7)	(118.8)
Write off of Spinifex Well	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Balance 31 March 2015	**272.5**	**48.9**	**9.2**	**-**	**8.4**	**-**	**-**	**224.3**	**7.2**	**570.5**

[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 20. INTANGIBLE ASSETS

	31 March 2015 US$M	30 June 2014 US$M
Intangible assets – at cost	27.8	27.8
Less accumulated depreciation and impairment	(16.0)	(15.6)
Net carrying value – intangible assets	**11.8**	**12.2**

NOTE 21. PROVISIONS

	31 March 2015 US$M	30 June 2014 US$M
Current		
Employee benefits	3.5	5.5
Total current provisions	**3.5**	**5.5**
Non Current		
Employee benefits	1.6	2.0
Rehabilitation provision	74.2	68.9
Demobilisation provision	1.6	1.8
Total non current provisions	**77.4**	**72.7**

NOTE 22. UNEARNED REVENUE

	31 March 2015 US$M	30 June 2014 US$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 23. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies that are not disclosed in the Financial Report of the Group as at 31 March 2015 other than:

	31 March 2015 US$M	30 June 2014 US$M
(a) Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	0.8	2.6
Later than one year but not later than 5 years	9.9	6.4
More than 5 years	11.0	16.8
Total tenements commitment	**21.7**	**25.8**

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 5 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 31 March are as follows:

	31 March 2015 US$M	30 June 2014 US$M
Within one year	0.8	1.0
Later than one year but not later than 5 years	0.3	1.0
More than 5 years	-	-
Total operating lease commitment	**1.1**	**2.0**

NOTE 23. COMMITMENTS AND CONTINGENCIES (continued)

	31 March 2015 US$M	30 June 2014 US$M
(c) Other Commitments		
Commitments for mining, transport and reagents contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	27.4	22.2
Later than one year but not later than 5 years	1.9	2.1
More than 5 years	-	-
Total other commitments	**29.3**	**24.3**

(d) Acquisition Costs

In relation to the Manyingee Uranium Project, the re-negotiated acquisition terms provide for a payment of A$0.75M / (US$0.58M) (30 June 2014: A$0.75M (US$0.71M)) by the Group to the vendors when all project development approvals are obtained.

(e) Bank Guarantees

As at 31 March 2015, the Group has outstanding US$385,157 / (A$501,792) (30 June 2014: US$679,877 / A$721,792) as a current guarantee provided by a bank for the corporate office lease, a US$175,104 / (A$227,500) (30 June 2014: US$248,199 / A$263,500) guarantee for tenements, a US$85,071 / (A$110,000) (30 June 2014: US$103,612 / A$110,000) guarantee for corporate credit cards and a US$10M (30 June 2014: 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 N$151.1M, which is approximately US$12.5M. The Group denies the claim and will vigorously defend it. The Group is also counter claiming 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 24. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed below, since 31 March 2015, 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, with the exception of the following, the financial effects of which have not been provided for in the 31 March 2015 Financial Report.

Tender Offer for 2010 Convertible Bonds due 2015

On 2 April 2015, the Company repurchased an aggregate principal amount of US$289.25M of the November 2010 convertible bonds for a total consideration (inclusive of accrued interest on the accepted bonds to the settlement date of US$4.3M) of US$293.6M. The consideration was funded using the net proceeds of issue of the March 2015 convertible bonds of US$146.25M together with US$147.35M of the Company's cash balances.

NOTE 24. EVENTS AFTER THE REPORTING PERIOD (continued)

Exercise of Optional Redemption Right in relation to Outstanding 2010 Convertible Bonds due 2015

On 17 April 2015, the Company announced the exercise of its optional redemption right in respect of the US$10.75M November 2010 convertible bonds, which remain outstanding following settlement of the tender offer. The redemption date for the convertible bonds will be 18 May 2015, and they will be redeemed at their outstanding principal amount plus accrued interest to the redemption date.

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 31 March 2015.

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 2014 and ended on 31 March 2015 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Dated: 14 May 2015

John Borshoff
Managing Director/CEO

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

I, Craig Barnes, 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 31 March 2015.

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 2014 and ended on 31 March 2015 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Dated: 14 May 2015

Craig Barnes
Chief Financial Officer