



## PALADIN ENERGY LTD

ACN 061 681 098

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***By electronic lodgement***

ASX Markets Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

### **PALADIN MARKET UPDATE**

- **Kayelekera Sale completed on 13 March 2020**
- **Focus remains on the Langer Heinrich operation in Namibia with updated guidance on key economic parameters expected during Q4 FY2020**
- **Current unrestricted cash balance, after Kayelekera sale costs, of approximately US\$35M with FY2021 cash expenditure expected to be less than US\$10M**
- **The Company has restructured its Board and Executive Team to provide the technical and commercial skill set necessary to lead the Company back into profitable operations**

Paladin Energy Limited (ASX: **PDN**) ("**Paladin or the Company**") continues to focus on reducing cash expenditure and maximising the value of the strategically significant Langer Heinrich operation. Given the developments that have occurred subsequent to Paladin's December quarterly update (refer ASX Announcement 31 Jan 2020) the Company provides the following business activity update.

#### **Kayelekera Sale**

The Company announced on 13 March 2020 the completion of the sale of its 85% interest in Paladin (Africa) Ltd to Lotus Resources Limited (65%) and Lily Resources Pty Ltd (20%). Paladin will hold the interest on trust, pending receipt of the final in-country approvals. Importantly, the sale of Kayelekera reduces Paladin's forecast cash expenditure by approximately US\$5M per annum (pa).

The completion of the sale is a positive step forward for Paladin and one which will allow the Company to prioritise its efforts and resources on maximising the value of the Langer Heinrich operation.

#### **Langer Heinrich optimisation study update**

In October 2019 the Company announced the results of a pre-feasibility study to optimise the restart of the Langer Heinrich operation (refer ASX Announcement 14 October 2019). The Company continues to refine its restart plans and expects to update the market further, including extensive guidance on key economic parameters, during Q4 FY2020.

Langer Heinrich remains a strategically important, proven operation with a historic production capacity of 5.2Mlb pa. Uranium production was suspended and the operation transitioned into care and maintenance in May 2018.

The existing infrastructure and mine development at Langer Heinrich provide an opportunity for a rapid restart of operations and delivers a lower incentive price for restart than greenfield mine development projects. The operation is located in 'mining-friendly' Namibia and holds all the required permits for restart.

Paladin is well positioned to be an early mover in a recovering uranium market, however, the Company will only consider a restart of the Langer Heinrich Mine when it secures a uranium term-price contract with sufficient tenure and value to secure an appropriate level of return to stakeholders.

### **Cash Expenditure and Balance Sheet**

Paladin currently has an estimated unrestricted cash balance of US\$35M, after Kayelekera sale costs. Following the sale of the Kayelekera Mine on the 13 March 2020, Paladin's total cash spend for FY2021 is forecast to reduce by approximately US\$5M to less than US\$10M pa.

The Company's senior debt has been in place since 25 January 2018. The balance of the debt at the end of February 2020, including accrued interest, was US\$138M. The debt is repayable on 25 January 2023 and the Company expects to continue accruing interest (10%) for the remainder of the term.

### **Board and Management**

Over recent months, the Company has significantly restructured its Board and Executive Management Team to provide the technical and commercial skill set necessary to lead the Company going forward.

The Company has previously announced the following changes:

- Cliff Lawrenson appointed Non-Executive Chairman
- Peter Main and Peter Watson appointed Non-Executive Directors
- Ian Purdy appointed Chief Executive Officer

The CEO has now finalised his Executive Management Team as follows:

- Michael Drake appointed Chief Operations Officer (previously GM Business Development and Projects)
- Anna Sudlow, as Chief Financial Officer
- Gary Stoker appointed Principal Uranium Marketing Consultant (previously GM Sales and Contracts for Paladin)

Further details of the Board and Executive Team are available on the Company's website, [www.paladinenergy.com.au](http://www.paladinenergy.com.au)

Paladin CEO, Ian Purdy said "*We have successfully reshaped the Company around our proven Langer Heinrich uranium operation in Namibia. The underlying quality of Langer Heinrich provides the Company with strategic optionality and a path forward to returning the Company to profitable operations under the right uranium demand environment. We look forward to providing further details of our Langer Heinrich restart plans in due course.*"

This release has been authorised for release by the Board of Directors of Paladin Energy Limited.

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### **About Paladin**

Paladin Energy Limited (ASX: PDN) is an Australian listed uranium company focussed on maximising the value of its 75% stake in the Langer Heinrich uranium mine in Namibia. Langer Heinrich is a globally significant, long-life operation, having already produced over 40 million pounds of U<sub>3</sub>O<sub>8</sub> to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets.

Nuclear power remains a cost-effective, low carbon option for electricity generation.