

Mount Isa Project

Queensland, Australia



PALADIN ENERGY LTD

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Paladin has interests in the Isa Uranium Joint Venture (IUJV), the Mount Isa North Project (MINP) and the Valhalla North Project (VNP). The three projects include 10 deposits containing 106Mlb U₃O₈ Measured and Indicated Mineral Resources as well as 42Mlb U₃O₈ Inferred Mineral Resources. The bulk of the mineralisation (76.3Mlb) is concentrated in the Valhalla deposit.

In June 2007, Paladin acquired 82% of Summit Resources Ltd (Summit) and Paladin provides personnel and management to Summit through a services agreement. Between 2007 and 2012 the annual mineral resource growth for the Mount Isa Projects averaged close to 20%, increasing from a total of 65Mlb U₃O₈ to 148Mlb U₃O₈. 116,490m of diamond core and 148,740m of RC was drilled to search for and define the estimated resources. Paladin is currently in the process of acquiring the minority shareholdings in Summit to take its ownership to 100% as part of an off-market takeover offer announced on 1 August 2018.

The landholding consists of four Exploration Permits for Minerals (EPM's) and six Mineral Development Licences (MDLs). Due to various ownership levels technical work is managed through the three separate Projects.

The land is subject to the Kalkadoon People No.4 QCD2011/007 native title determination. Paladin has always maintained a good working relationship with the Kalkadoon People with exploration programs routinely culturally cleared with Kalkadoon representatives.



Diamond Core Drilling

Isa Uranium Joint Venture

The IUJV covers a 17.24km² area containing the Valhalla and Odin deposits and 10km² area containing the Skal uranium deposit. Both areas are approximately 40km north of Mount Isa. Participants in the IUJV are Summit Resources (Aust) Pty Ltd (SRA) and Vahalla Uranium Pty Ltd (VUL), each holding a 50% interest with SRA as manager. VUL is a wholly owned subsidiary of Paladin.

Paladin's current ownership of 82% of the issued capital in Summit means Paladin's effective participating interest in the IUJV is 91%.

Mount Isa North Project

The MINP is 100% held and managed by SRA. SRA is a wholly owned subsidiary of Summit. The MINP tenements are prospective for uranium, copper and base metals. The project includes the Bikini, Mirrioola, Watta, Warwai and Andersons uranium deposits as well as numerous other uranium prospects.

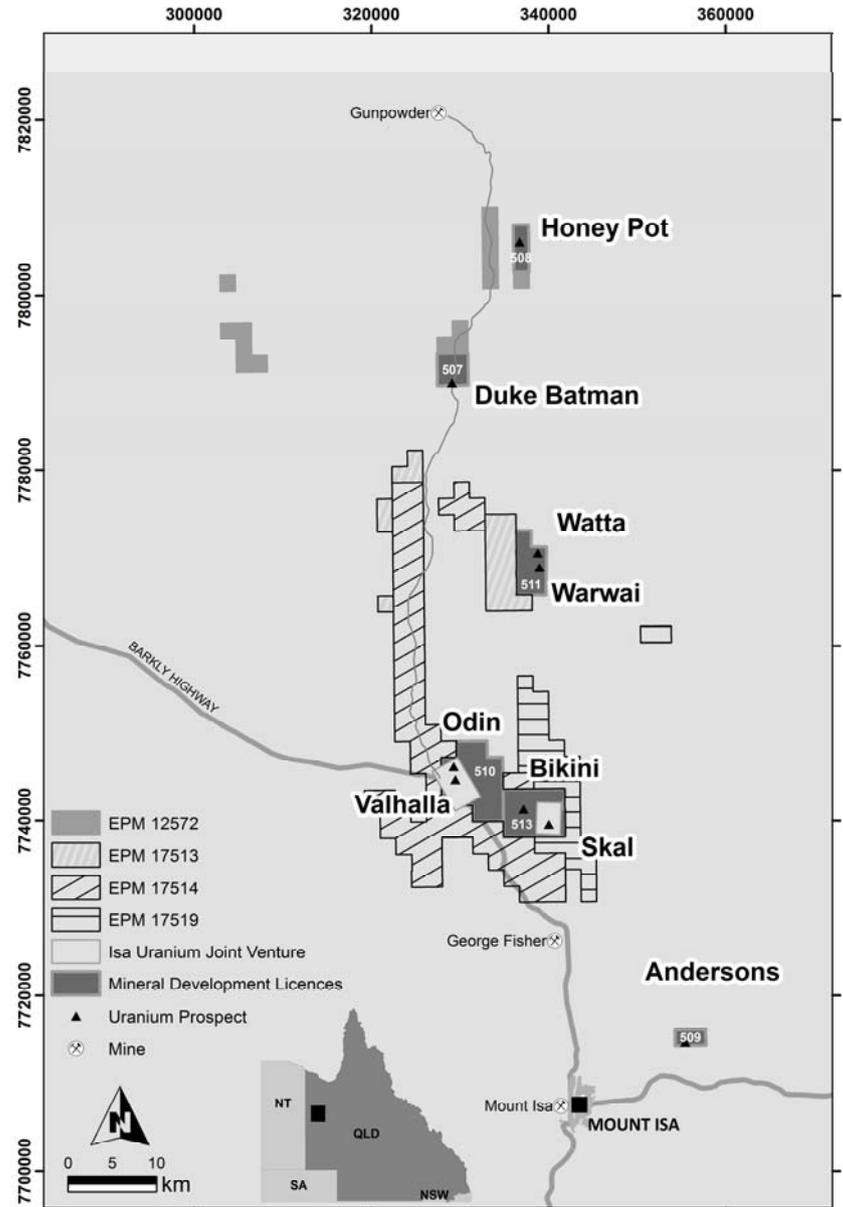
Valhalla North Project

The VNP was acquired by Paladin through the 100% takeover of Fusion Resources Ltd (Fusion) in April 2009. The VNP includes the Duke Batman and Honey Pot uranium deposits.

Location and Access

The IUJV, MINP and VNP are located 15 to 80km north and east of Mount Isa. Access to the landholding is excellent via the sealed Barkly Highway, the partially sealed Gunpowder Road, and various station tracks on Calton Hills and Haslingden cattle stations.

The Projects are serviced by Summit Resources' office and yard complex located at 15 Traders Way in Mount Isa .



Project Location



Mount Isa Yard and Office



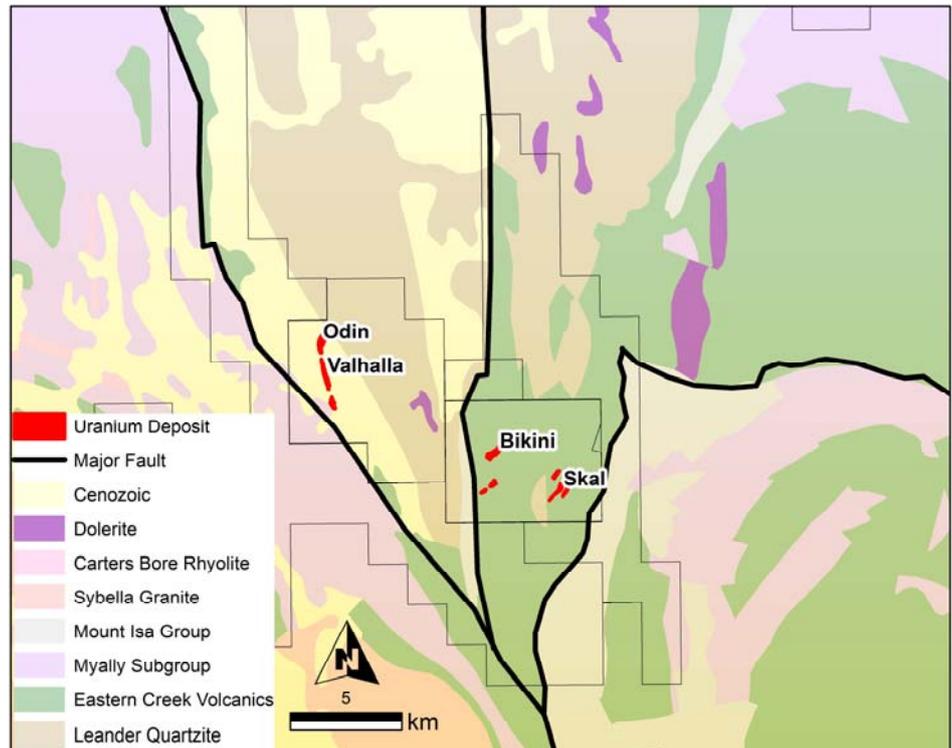
Auger Drilling

Geology

The majority of the uranium mineralisation in the IUJV, MINP and VNP area occurs in the Eastern Creek Volcanics (ECVs) and are spatially associated with second order fault splays off major faults.

Uranium Mineralisation and Alteration

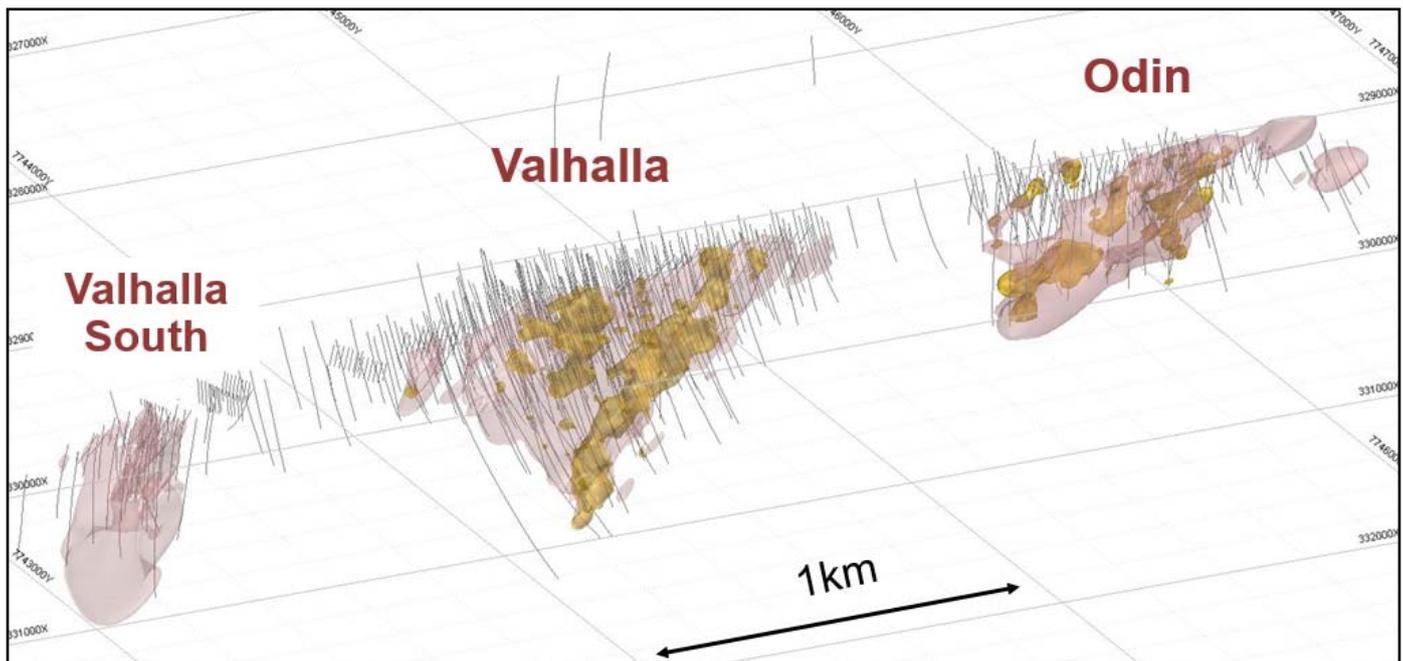
Petrographic studies and mapping have demonstrated that much of the 'red rock' alteration in the deposits is due to finely disseminated hematite in albite and calcite caused by Na and Ca metasomatism. Mineralisation is typically dominated by either mylonite or breccia textures. Deposits with geology and mineralisation similar to that of the IUJV, MINP and VNP uranium deposits have been, and continue to be, mined in Russia, Ukraine, Brazil and Canada.



U Deposits in relation to major structures and stratigraphy

Valhalla is spatially coincident with part of a 3km-long shear zone. Valhalla can be interpreted as a series of en - echelon lenses of uranium mineralization that is better developed at the intersection of the shear zone and areas of repetition of narrow thicknesses basalts and sediments, the repetition is termed interbeddedness. Interbeddedness creates rheological contrasts

which causing multiple surfaces that can fail when subjected to deformation and therefore can facilitate transport and reaction with uraniumiferous mineralising fluids.



Long section of the Valhalla—Odin trend showing Leapfrog generated grade shells and drill hole traces. 114,703m of RC and diamond drilling has been completed along the trend. Approximately AUD9M has been invested in drilling since July 2007.

Uranium Resources

The Project resource inventory totals 148Mlb, the details of which are tabled below.

Deposit	Cut-off ppm U ₃ O ₈	Measured Resources				Indicated Resources				Inferred Resources				Total			Paladin Share	
		Mt	Grade ppm	t U ₃ O ₈	Mlb	Mt	Grade ppm	t U ₃ O ₈	Mlb	Mt	Grade ppm	t U ₃ O ₈	Mlb	Mt	Grade ppm	t U ₃ O ₈		Mlb
Isa Uranium Joint Venture (IUJV)																		
Valhalla*	230	16	820	13,116	28.9	18.6	840	15,662	34.5	9.1	640	5,824	12.8	43.7	792	34,602	76.2	91%
Skal*	250					14.3	640	9,177	20.2	1.4	520	708	1.6	15.7	630	9,885	21.8	91%
Odin*	250					8.2	555	4,534	10	5.8	590	3,430	7.6	14	569	7,964	17.6	91%
Mount Isa North Project (MINP)																		
Bikini*	250					5.8	495	2,868	6.3	6.7	490	3,324	7.3	12.5	495	6,192	13.6	82%
Andersons*	250					1.4	1,450	2,079	4.6	0.1	1,640	204	0.4	1.5	1522	2,283	5	82%
Watta	250									5.6	400	2,260	5	5.6	404	2,260	5	82%
Warwai	250									0.4	360	134	0.3	0.4	335	134	0.3	82%
Mirrioola	250									2	560	1,132	2.5	2	566	1,132	2.5	82%
Valhalla North Project (VNP)																		
Duke Batman*	250					0.5	1,370	728	1.6	0.3	1,100	325	0.7	0.8	1316	1,053	2.3	100%
Honey Pot	250									2.6	700	1,799	4	2.6	692	1,799	4	100%
Total Resources		16	820	13,116	28.9	48.8	720	35,048	77.3	33.9	565	19,140	42.2	98.8	680	67,304	148.3	
Total Attributable Resources To Paladin		14.6	820	11,941	26.3	43.9	720	31,530	69.5	29.8	570	16,983	37.4	88.3	685	60,454	133.2	

Figures may not add due to rounding. * Deposits estimated using Multiple Indicator Kriging within a wireframe envelope. All other Mineral Resources are estimated using Ordinary Kriging with an appropriate top cut. Data for all deposits is a combination of geochemical assay and downhole radiometric logging. All Mineral Resources are JORC (2004) compliant.

The Way Forward

Away from the estimated resources there are potentially many targets obscured by alluvium that remain untested. The execution of creative exploration to discover further resources represents a significant opportunity for the three Projects.

The expectation in Queensland is that a conservative government will strongly support uranium mining while currently a Labor (incumbent) government will not permit it.

Internal engineering studies show that there is potential for an operation to be developed. The operation may have throughput rates of 4-5Mt/a to produce 5-7Mlb U₃O₈/a. It is expected that three to four years of exploration and metallurgical work will be required to provide sufficient information to implement a BFS.



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The mineral resource information in this document is extracted from the report entitled *Paladin Energy Ltd 2018 Annual Report* created on 28th August 2018 and is available to view on www.paladinenergy.com.au. The company confirms that it is not aware of any new information or data that materially affect the information included in the original announcement and, in the case of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.