

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

| | |
|--------------------|--|
| PALADIN ENERGY LTD | |
| ABN | Quarter ended ("current quarter") |
| 47 061 681 098 | 31 March 2018 |

| Consolidated statement of cash flows | Current quarter US\$'000 | Year to date (9 months) US\$'000 |
|--|-------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 10,811 | 47,771 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (751) | (1,961) |
| (b) development | - | - |
| (c) production | (25,241) | (72,153) |
| (d) staff costs (excludes direct exploration, production and care and maintenance costs) | (638) | (1,433) |
| (e) administration and corporate costs | (442) | (2,360) |
| (f) restructure costs | (6,447) | (9,794) |
| (g) care and maintenance costs | (1,462) | (4,158) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 80 | 155 |
| 1.5 Interest and other costs of finance paid | (5,273) | (9,657) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other income (provide details if material) | 2 | 362 |
| 1.9 Net cash from / (used in) operating activities | (29,361) | (53,228) |

| Consolidated statement of cash flows | Current quarter US\$'000 | Year to date (9 months) US\$'000 |
|---|-----------------------------|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (49) | (869) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | 200 |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Capitalised exploration and evaluation | (9) | (56) |
| 2.6 Net cash from / (used in) investing activities | (58) | (725) |

| | | |
|--|---------------|---------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 Proceeds from borrowings | 115,000 | 175,000 |
| 3.6 Repayment of borrowings | (60,000) | (80,000) |
| 3.7 Transaction costs related to loans and borrowings | (1,838) | (1,838) |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | 53,162 | 93,162 |
| 3.5 <u>Proceeds from borrowings</u> | | |
| US\$60M Deutsche Bank Facility drawdown on 21 July 2017. | | |
| US\$115M 9%/10% payment in kind (PIK) toggle secured notes issued on 25 January 2018 and repayable on 25 January 2023. | | |
| 3.6 <u>Repayment of borrowings</u> | | |
| US\$20M Nedbank Revolving Credit Facility repaid on 21 July 2017. | | |
| US\$60M Deutsche Bank Facility repaid on 25 January 2018. | | |

| Consolidated statement of cash flows | | Current quarter US\$'000 | Year to date (9 months) US\$'000 |
|---|--|-------------------------------------|---|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 26,902 | 11,502 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (29,361) | (53,228) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (58) | (725) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 53,162 | 93,162 |
| 4.5 | Effect of movement in exchange rates on cash held | (179) | (245) |
| 4.6 | Cash and cash equivalents at end of period | 50,466 | 50,466 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | Current quarter US\$'000 | Previous quarter US\$'000 |
|--|--|-------------------------------------|--------------------------------------|
| 5.1 | Bank balances | 3,421 | 23,661 |
| 5.2 | Call deposits | 47,045 | 3,241 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 50,466 | 26,902 |

| 6. Payments to directors of the entity and their associates | | Current quarter US\$'000 |
|--|--|-------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 45 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

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| 7. Payments to related entities of the entity and their associates | Current quarter US\$'000 |
|--|-------------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end US\$'000 | Amount drawn at quarter end US\$'000 |
|--|--|---|
| 8.1 Loan facilities | 115,000 | 115,000 |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

US\$115M 9%/10% payment in kind (PIK) toggle secured notes issued on 25 January 2018 and repayable on 25 January 2023.

| 9. Estimated cash outflows for next quarter | US\$'000 |
|--|-----------------|
| 9.1 Exploration and evaluation | (468) |
| 9.2 Development | - |
| 9.3 Production | (24,722) |
| 9.4 Staff costs (includes directors fees) | (468) |
| 9.5 Administration and corporate costs | (1,366) |
| 9.6 Other (care and maintenance costs) | (1,295) |
| Other (restructure costs) | (256) |
| 9.7 Total estimated cash outflows | (28,575) |

These estimated cash outflows exclude estimated cash inflows from sales in the range of 1.1 Mlb to 1.2Mlb U₃O₈ that are anticipated in the June 2018 quarter.

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| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | EPM 17513 Queensland | Exploration Permit was reduced in area on 5th January 2018 – reduced from 50 sub-blocks to 19 sub-blocks. | 100% | 100% |
| | | EPM17514 Queensland | Exploration Permit was reduced in area on 5th January 2018 – reduced from 110 sub-blocks to 86 sub-blocks. | 100% | 100% |
| | | EPM17519 Queensland | Exploration Permit was reduced in area on 5th January 2018 – reduced from 79 sub-blocks to 29 sub-blocks. | 100% | 100% |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | EPL489 Malawi | Granted, Chitipa District, Malawi, 137km ² | Nil | 100% |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 27 April 2018

Print name: Andrea Betti

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.