

**Appendix 4D - Financial Report**  
**Half year ended 31 December 2022**

**Paladin Energy Ltd**

ABN or equivalent company reference

ACN. 061 681 098

**Results for announcement to the market**

				31 December 2022 US\$'000	31 December 2021 US\$'000
Revenue from sales of uranium oxide	-	-	to	-	-
Total revenue	-	-	to	-	-
Loss after tax attributable to members	Up	35%	to	(4,786)	(3,541)
Net loss for the period attributable to members	Up	35%	to	(4,786)	(3,541)
Loss per share (US cents)				(0.2)	(0.1)

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
It is not proposed to pay dividends for the period	N/A	N/A
Previous corresponding period: No dividend paid	N/A	N/A

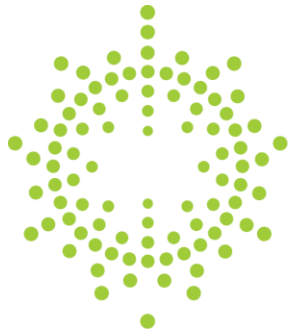
An explanation of the results is included in the Operating and Financial Review and the Financial Report attached.

	31 December 2022	31 December 2021
Net tangible assets per share	US\$0.11	US\$0.08

**Other**

Previous corresponding period is the half year ended 31 December 2021.

All foreign subsidiaries are prepared using IFRS.



# **PALADIN**

Interim Financial Report  
For the Six Months Ended 31 December 2022  
ACN 061 681 098



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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 Group).**



**Operating and Financial Review**  
**For the Six Months Ended 31 December 2022**  
**(All figures are in US dollars unless otherwise indicated)**

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## **OVERVIEW OF OPERATIONS**

Paladin Energy Ltd (ASX:PDN OTCQX:PALAF) is an Australian listed, independent uranium company with a focus on restarting its globally significant Langer Heinrich Mine (LHM), currently progressing to commercial production in CY2024. With a proven operations performance over 10 years, Langer Heinrich is on track for successful, long-life operations delivering real stakeholder value. The mine's future-facing drive includes a robust Environmental, Social and Governance framework in place to support its accountability-led contribution to decarbonisation.

The Company also owns a large global portfolio of uranium exploration and development assets. As nuclear power remains a leading sustainable source of low-carbon electricity generation, Paladin has a clear role in positive, worldwide change.

The Company is incorporated under the laws of Australia with a primary share market listing on the Australian Securities Exchange (ASX) and is also listed on the Namibian Stock Exchange (NSX). The Company also trades on the OTCQX market in the United States of America.

## **HIGHLIGHTS**

### **Health and Safety**

- Paladin had no lost time injuries or reportable incidents during the six months ending 31 December 2022
- Langer Heinrich has adopted an upgraded Health, Safety and Environment framework with additional systems and processes as part of the Restart Project ramp up.

### **Operational Performance**

- On 19 July 2022, Paladin announced the decision to return the LHM to production, with first volumes targeted for the first quarter of CY2024
- Since the decision to restart production, Paladin has progressed Restart Project activities focused on the return of the LHM to production
- The Restart Project continues to focus on general Repairs and Refurbishment to return the existing process plant to operational readiness, coupled with the engineering and procurement for the delivery of Growth Projects process upgrades to increase throughput capacity and operational availability
- The project progressed the following activities over the period:
  - Completion of redundant process equipment removal and commencement of strategic equipment removal to facilitate Growth Projects scope execution
  - Completion of site establishment activities in preparation for receiving site construction contractors and project equipment and materials
  - Site work programmes commenced and progressed for concrete repairs, pump refurbishments, and statutory electrical upgrades



- Final contractor selections and award of primary Repairs and Refurbishment construction scopes of work
- Award of all material contracts and purchase orders for project parts and equipment
- Acceptance of NamPower and NamWater supply proposals
- The continuation of debottlenecking planning and the preservation of the LHM processing plant and related infrastructure.
- The Company has secured the following offtake agreements:
  - Four uranium offtake agreements are in place with industry leading US and European counterparties
  - Paladin has successfully agreed nomination volumes and negotiated to supply additional volumes to CNNC in 2024 and 2025, in addition to negotiating an early payment agreement
  - Paladin is currently negotiating a contract for a further tender award for the supply of uranium to a leading US utility.
- The Company continues to engage with top-tier industry counterparties, as the Company seeks to layer industry leading offtake agreements ahead of production.

### **Exploration**

- During the period, the Company undertook the work required to meet minimum tenement commitments at its exploration projects in Canada and Australia, and rehabilitation monitoring continued across all locations without incident
- The Company completed the summer exploration field program at Michelin in Labrador, Canada, with the analysis of data collected nearing completion. This analysis will assist in deriving a new exploration model designed to generate new drill targets for the future exploration drilling programs
- The sales process under the Michelin Joint Venture Agreement has commenced as required under the Joint Venture Agreement (if the 52 week average of the uranium price is US\$40/lb or more, the joint venture must use its best efforts to procure the sale of the entire project to a third party)
- Paladin has the right, acting reasonably, to determine if the terms of any offer made under the sales process are acceptable, and also has a right of pre-emption to acquire the Michelin Joint Venture partner's interest in the Project.

**Operating and Financial Review**  
**For the Six Months Ended 31 December 2022**  
*(All figures are in US dollars unless otherwise indicated)*



**Corporate**

- Paladin has appointed Mr Paul Hemburrow as Paladin’s Chief Operating Officer, commencing on 1 February 2023
- Paladin’s 2022 Sustainability Report was published, confirming the Company’s commitment to delivering value through sustainable development
- The Company held US\$163.2M of cash and cash equivalents as at 31 December 2022 (excluding restricted cash of \$1M), and has no corporate debt.

**FINANCIAL PERFORMANCE**

Key financial performance metrics		Six months ended 31 December		
		2022	2021	% Change
<b>Earnings</b>				
Net loss after tax from continuing operations	US\$’000	(13,312)	(10,986)	(21)
Loss after tax attributable to members	US\$’000	(4,786)	(3,541)	(35)
<b>Cash Flows</b>				
Cash flows from operating activities	US\$’000	(4,050)	(3,748)	(8)
Capital expenditure	US\$’000	(7,394)	(1,738)	(326)
Free cash flows <sup>1</sup>	US\$’000	(11,444)	(5,486)	(109)

**Earnings**

Net loss after tax from continuing operations increased by 21%, mainly as a result of increased LHM operations, finance, marketing and share based payment expenses (US\$3,034,000) and the impact of movement in foreign exchange rates between the periods (US\$6,942,000) with the Namibian dollar depreciating 5% against the USD in the current period, from US\$1:N\$16.15 at 30 June 2022 to US\$1:N\$16.97 at 31 December 2022. The cumulative impact was offset by reduced LHM depreciation of US\$6,086,000 and increased interest and other income of US\$1,750,000.

Key financial performance metrics		As at	As at	% Change
		31 December 2022	30 June 2022	
<b>Financial Position</b>				
Unrestricted cash and cash equivalents	US\$’000	163,206	177,066	(8)
Total equity	US\$’000	345,949	358,412	(3)

<sup>1</sup> Free Cash Flows equals the total of ‘cash flows from operating activities’ plus ‘capital expenditure’.



## **Cash Flows**

The Group had unrestricted cash and cash equivalents at 31 December 2022 of US\$163,206,000. Unrestricted cash and cash equivalents decreased by US\$13,860,000 during the period comprising of the following cash flows:

- Interest received and other income – the Group received cash inflows of US\$1,792,000
- LHM operations expenditure – the LHM utilised US\$3,433,000 in operating expenditure
- LHM restart plan expenditure – the Group incurred US\$5,931,000 in restart expenditure
- Exploration expenditure – the Group utilised US\$1,083,000 to meet minimum tenement commitments at its exploration projects
- Property Plant and Equipment – the Group incurred US\$380,000 acquiring new property, plant and equipment
- Corporate expenditure – US\$2,409,000 was incurred for corporate and staff costs
- Effect of movement in exchange rate of cash held – a decrease in US\$ equivalent cash of US\$2,501,000 was predominantly due to the translation of Australian dollars held
- Shareholder loans advanced – US\$85,000 was advanced from CNNC Overseas Uranium Holding Limited (CNNC) to Langer Heinrich Uranium (Pty) Ltd.

## **Financial Position**

Unrestricted group cash and cash equivalents decreased during the period by 8% to US\$163,206,000.

Paladin had no corporate debt at 31 December 2022.



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The Directors present their report on the Company consisting of Paladin Energy Ltd (“Company”) and the entities it controlled (“Group”) at the end of, or during, the six months ended 31 December 2022.

### **Directors**

The following persons were Directors of the Company during the whole of the six months and up to the date of this report unless otherwise indicated:

Mr Cliff Lawrenson (Non-executive Chairman)  
Mr Peter Main (Non-executive Director)  
Mr Peter Watson (Non-executive Director)  
Ms Melissa Holzberger (Non-executive Director)  
Ms Joanne Palmer (Non-executive Director)

### **Review of Operations**

A detailed Operating and Financial Review of the Group is set out on pages 3 to 6.

The loss after tax attributable to the ordinary equity holders for the six months ended 31 December 2022 was US\$4,786,000 (loss after tax of US\$3,541,000 for the six months ended 31 December 2021).

### **Auditor's Independence Declaration**

The Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 8.

### **Rounding**

The amounts contained in this report, the Financial Report and the Operating and Financial Review have been rounded to the nearest US\$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Paladin is an entity to which the Instrument applies.

Signed in accordance with a resolution of the Directors.

Mr Cliff Lawrenson  
Chairman  
Perth, Western Australia  
23 February 2023





## Auditor's Independence Declaration

As lead auditor for the review of Paladin Energy Ltd for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Paladin Energy Ltd and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Justin Carroll'.

Justin Carroll  
Partner  
PricewaterhouseCoopers

Perth  
23 February 2023

**Condensed Consolidated Income Statement**  
For the six months ended 31 December 2022



	Notes	2022 US\$'000	2021 US\$'000
<b>Revenue</b>			
Revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
<b>Other Income</b>			
Interest received		1,965	28
Other income		293	480
Foreign exchange gain (net)		-	6,292
<b>Total</b>		<b>2,258</b>	<b>6,800</b>
Administration, marketing and non-production costs	6	(7,842)	(11,401)
Foreign exchange loss (net)		(650)	-
Loss before interest and tax		(6,234)	(4,601)
Finance costs		(7,078)	(6,384)
<b>Net loss before income tax</b>		<b>(13,312)</b>	<b>(10,985)</b>
Income tax expense		-	(1)
<b>Net loss after tax</b>		<b>(13,312)</b>	<b>(10,986)</b>
Attributable to:			
Non-controlling interests		(8,526)	(7,445)
Members of the parent		(4,786)	(3,541)
<b>Net loss after tax</b>		<b>(13,312)</b>	<b>(10,986)</b>
<b>Loss per share (US cents)</b>			
Loss after tax from operations attributable to ordinary equity holders of the Company			
- continuing operations, basic and diluted (US cents)		(0.2)	(0.1)

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

**Condensed Consolidated Statement of Comprehensive Income**  
**For the six months ended 31 December 2022**



	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Net loss after tax for the period</b>	<b>(13,312)</b>	<b>(10,986)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation	(1,550)	(1,019)
<b>Items that will not be reclassified to profit or loss:</b>		
Changes in the fair value of available for sale investments at fair value through other comprehensive income	1,012	434
Foreign currency translation attributable to non-controlling interests	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(538)</b>	<b>(585)</b>
<b>Total comprehensive loss for the period</b>	<b>(13,850)</b>	<b>(11,571)</b>
Total comprehensive loss for the period is attributable to:		
Non-controlling interests	(8,526)	(7,445)
Members of the parent	(5,324)	(4,126)
	<u>(13,850)</u>	<u>(11,571)</u>

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

# Condensed Consolidated Statement of Financial Position

## For the six months ended 31 December 2022



	Notes	As at 31 December 2022 US\$'000	As at 30 June 2022 US\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		163,206	177,066
Restricted cash		1,005	1,000
Trade and other receivables		5,964	5,084
Prepayments		2,476	1,263
Inventories		5,185	5,100
Asset classified as held for sale	7	1,012	-
<b>TOTAL CURRENT ASSETS</b>		<b>178,848</b>	<b>189,513</b>
<b>Non-current assets</b>			
Trade and other receivables		351	194
Property, plant and equipment	8	170,721	166,274
Right-of-use assets		863	918
Mine development	9	22,064	14,975
Exploration and evaluation expenditure	10	93,820	101,327
Intangible assets		7,793	7,793
<b>TOTAL NON-CURRENT ASSETS</b>		<b>295,612</b>	<b>291,481</b>
<b>TOTAL ASSETS</b>		<b>474,460</b>	<b>480,994</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		3,033	2,211
Lease liabilities		33	55
Provisions		437	335
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,503</b>	<b>2,601</b>
<b>Non-current liabilities</b>			
Other interest-bearing loans - CNNC		84,034	78,558
Lease liabilities		836	880
Provisions		40,138	40,543
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>125,008</b>	<b>119,981</b>
<b>TOTAL LIABILITIES</b>		<b>128,511</b>	<b>122,582</b>
<b>NET ASSETS</b>		<b>345,949</b>	<b>358,412</b>
<b>EQUITY</b>			
Contributed equity	5	2,646,624	2,645,778
Reserves		(71,914)	(71,917)
Accumulated losses		(2,165,620)	(2,160,834)
Parent interests		409,090	413,027
Non-controlling interests		(63,141)	(54,615)
<b>TOTAL EQUITY</b>		<b>345,949</b>	<b>358,412</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



## Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

	Contributed Equity US\$'000	Reserves US\$'000	Accumulated Losses US\$'000	Owners of the Parent US\$'000	Non- Controlling Interests US\$'000	Total US\$'000
<b>Balance at 1 July 2021</b>	<b>2,489,082</b>	<b>(59,354)</b>	<b>(2,146,511)</b>	<b>283,217</b>	<b>(36,509)</b>	<b>246,708</b>
Loss for the period	-	-	(3,541)	(3,541)	(7,445)	(10,986)
Other comprehensive income	-	(585)	-	(585)	-	(585)
Total comprehensive loss for the period, net of tax	-	(585)	(3,541)	(4,126)	(7,445)	(11,571)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	(10,868)	10,868	-	-	-
Transfer of reserves on deregistration of subsidiaries through the income statement	-	(2,760)	-	(2,760)	-	(2,760)
Share-based payment	-	689	-	689	-	689
Vesting performance rights	146	(146)	-	-	-	-
Transactions with owners in their capacity as owners					629	629
<b>Balance at 31 December 2021</b>	<b>2,489,228</b>	<b>(73,024)</b>	<b>(2,139,184)</b>	<b>277,020</b>	<b>(43,325)</b>	<b>233,695</b>
<b>Balance at 1 July 2022</b>	<b>2,645,778</b>	<b>(71,917)</b>	<b>(2,160,834)</b>	<b>413,027</b>	<b>(54,615)</b>	<b>358,412</b>
Loss for the period	-	-	(4,786)	(4,786)	(8,526)	(13,312)
Other comprehensive income	-	(538)	-	(538)	-	(538)
Total comprehensive loss for the period, net of tax	-	(538)	(4,786)	(5,324)	(8,526)	(13,850)
Share-based payment	-	541	-	541	-	541
Vesting performance rights	846	-	-	846	-	846
<b>Balance at 31 December 2022</b>	<b>2,646,624</b>	<b>(71,914)</b>	<b>(2,165,620)</b>	<b>409,090</b>	<b>(63,141)</b>	<b>345,949</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement Of Cash Flows**  
**For the six months ended 31 December 2022**



	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(5,842)	(3,904)
Other income	50	129
Interest received	1,742	28
Tax paid	-	(1)
	<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(4,050)</b>	<b>(3,748)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(380)	(144)
Proceeds from disposal of financial assets at fair value through profit or loss	-	13,386
Capitalised exploration expenditure	(1,083)	(662)
LHM restart costs	(5,931)	(932)
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>	<b>(7,394)</b>	<b>11,648</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Other interest-bearing loans - CNNC	85	537
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>85</b>	<b>537</b>
	<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,359)</b>	<b>8,437</b>
Cash and cash equivalents at the beginning of the period	177,066	30,661
Effects of exchange rate changes on cash and cash equivalents	(2,501)	(1,058)
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>163,206</b>	<b>38,040</b>
	<hr/> <hr/>	<hr/> <hr/>

The above Condensed 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 six months ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 23 February 2023.

Paladin Energy Ltd (Paladin) is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the ASX in Australia and the Namibian Stock Exchange in Africa. The Company also trades on the OTCQX market in the United States of America.

The Paladin Group's principal place of business is Level 8, 191 St George's Terrace, Perth, Western Australia. The nature of the operations and principal activities of the Group are described in the Operating and Financial Review (unaudited) on pages 3 to 6.

**NOTE 2. BASIS OF PREPARATION**

This condensed consolidated interim financial report for the six months reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim 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 2022 and any public announcements made by Paladin during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed consolidated interim financial report is presented in US dollars and all values are rounded to the nearest thousand dollars (US\$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Paladin is an entity to which the Instrument 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 2022 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2022. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. The Group has not elected to early adopt any new accounting standards and interpretations.

**NOTE 3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD**

On 19 July 2022 the Paladin Board announced it had made the decision to return the Langer Heinrich Mine (LHM) to production with first volumes targeted for the first quarter of CY2024. The restart scope of work focuses on general repairs and refurbishment required to return the existing process plant to operational readiness, coupled with the delivery of process upgrades to increase throughput capacity and operational availability. Total capital expenditure is expected to be US\$118M on a 100% project basis.



**NOTE 4. SEGMENT INFORMATION**

**Identification of Reportable Segments**

The Company has identified its operating segments to be Exploration, Namibia and Australia, on the basis of the nature of the activity and geographical location and different regulatory environments:

- Namibia - the main segment activity is the production and sale of uranium from the mine located in this country's geographic regions. In May 2018 the Company received the consent of relevant stakeholders to place LHM into care and maintenance due to the sustained low uranium price. On 19 July 2022, Paladin announced the decision to return the LHM to production.
- Australia - this segment includes the Company's sales and marketing, corporate and administration.
- Exploration - this segment is focused on developing exploration and evaluation projects in Australia and Canada.

Discrete financial information about each of these operating segments is reported to the Group's executive management team on at least a monthly basis.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the accounts and in the prior period.

Corporate charges comprise non-segmental expenses such as corporate office expenses. A proportion of the corporate charges are allocated to Namibia and Exploration tenements with the balance remaining in Australia.

The following tables present revenue, expenditure and asset information regarding operating segments for the six months ended 31 December 2022 and 31 December 2021.

<b>Six months ended 31 December 2022</b>	<b>Exploration US\$'000</b>	<b>Namibia US\$'000</b>	<b>Australia US\$'000</b>	<b>Consolidated US\$'000</b>
Sales to external customers	-	-	-	-
Total consolidated revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	2,000	2,201	4,201
Other expenses	(14)	(4,781)	(5,640)	(10,435)
Segment loss before income tax and finance costs	(14)	(2,781)	(3,439)	(6,234)
Finance costs	-	(3,402)	(3,676)	(7,078)
Segment loss before income tax	(14)	(6,183)	(7,115)	(13,312)
Income tax expense	-	-	-	-
<b>Segment loss after income tax</b>	<b>(14)</b>	<b>(6,183)</b>	<b>(7,115)</b>	<b>(13,312)</b>
<b>At 31 December 2022</b>				
Segment total assets	<b>94,150</b>	<b>214,007</b>	<b>166,303<sup>(1)</sup></b>	<b>474,460</b>

<sup>(1)</sup> Includes US\$163,206,000 in cash and cash equivalents.





**NOTE 4. SEGMENT INFORMATION (CONTINUED)**

Six months ended 31 December 2021	Exploration US\$'000	Namibia US\$'000	Australia US\$'000	Consolidated US\$'000
Sales to external customers	-	-	-	-
<b>Total consolidated revenue</b>	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	4,642	2,158	6,800
Other expenses	-	(9,030)	(2,371)	(11,401)
Segment (loss)/profit before income tax and finance costs	-	(4,388)	(213)	(4,601)
Finance costs	-	(3,191)	(3,193)	(6,384)
Segment loss before income tax	-	(7,579)	(3,406)	(10,985)
Income tax expense	-	-	(1)	(1)
<b>Segment loss after income tax</b>	-	(7,579)	(3,407)	(10,986)
<b>At 31 December 2021</b>				
Segment total assets	<b>94,491</b>	<b>209,195</b>	<b>45,447<sup>(2)</sup></b>	<b>349,133</b>

<sup>(2)</sup> Includes US\$39,040,222 in cash and cash equivalents.

**NOTE 5. CONTRIBUTED EQUITY**

**Issued and paid up capital**

	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	Number of Shares		US\$'000	US\$'000
<b>Ordinary shares</b>				
Issued and fully paid	2,979,970,830	2,977,779,002	2,646,624	2,645,778

**Share Appreciation Rights (SARs)**

Issued unlisted employee share appreciation rights outstanding to employees, previous employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 December 2022	30 June 2022
	Number	Number
Number of unlisted employee share appreciation rights	3,106,000	4,050,250



**NOTE 5. CONTRIBUTED EQUITY (CONTINUED)**

Consisting of the following:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 October 2015	1 November 2018	1 November 2023	A\$0.13	A\$0.20	25,000
20 October 2015	1 November 2018	1 November 2023	A\$0.10	A\$0.20	25,000
27 September 2016	1 November 2018	1 November 2023	A\$0.08	A\$0.20	38,000
27 September 2016	1 November 2019	1 November 2024	A\$0.08	A\$0.20	38,000
16 April 2018	16 April 2018	16 April 2023	A\$0.17	A\$0.15	105,000
16 April 2018	16 April 2019	16 April 2024	A\$0.05	A\$0.15	52,500
16 April 2018	16 April 2020	16 April 2025	A\$0.07	A\$0.15	52,500
1 July 2019	1 July 2020	1 July 2025	A\$0.05	A\$0.1226	700,000
1 July 2019	1 July 2021	1 July 2026	A\$0.06	A\$0.1226	700,000
1 July 2019	1 July 2022	1 July 2027	A\$0.07	A\$0.1226	1,100,000
1 October 2019	1 October 2020	1 October 2025	A\$0.03	A\$0.12	105,000
1 October 2019	1 October 2021	1 October 2026	A\$0.04	A\$0.12	82,500
1 October 2019	1 October 2022	1 October 2027	A\$0.05	A\$0.12	82,500
<b>Total</b>					<b>3,106,000</b>

**Performance Rights (PRs)**

Issued unlisted employee performance rights outstanding to employees of the Company are as follows:

	31 December 2022 Number	30 June 2022 Number
Number of unlisted employee performance rights	13,891,523	9,100,639

Consisting of the following:

Date granted	Expiry date <sup>(1)</sup>	Fair value	Vesting price	Number
7 September 2021 <sup>(2)</sup>	27 September 2023	A\$0.82	A\$0.00	2,095,000
3 November 2021 <sup>(3)</sup>	1 July 2026	A\$0.705	A\$0.00	2,431,153
3 November 2021 <sup>(3)</sup>	1 July 2026	A\$0.766	A\$0.00	2,431,152
1 July 2022 <sup>(2)</sup>	30 June 2027	A\$0.58	A\$0.00	225,000
13 October 2022 <sup>(2)</sup>	28 September 2027	A\$0.735	A\$0.00	1,066,250
13 October 2022 <sup>(2)</sup>	28 September 2027	A\$0.631	A\$0.00	1,748,984
13 October 2022 <sup>(2)</sup>	28 September 2027	A\$0.629	A\$0.00	1,748,984
13 October 2022 <sup>(2)</sup>	28 September 2027	A\$0.755	A\$0.00	1,980,000
13 October 2022 <sup>(2)</sup>	28 September 2027	A\$0.825	A\$0.00	165,000
<b>Total</b>				<b>13,891,523</b>

(1) Subject to the terms of applicable employee share plan rules the 'Expiry Date' is 5 years

(2) These PRs have been issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a PR.

(3) These PRs will vest subject to the TSR of the Company over the three-year performance period commencing on 1 July 2021, relative to the TSR performance of each constituent of respective peer groups. In benchmarking the TSR performance a weighting of 50% will apply to each of the peer groups.



**NOTE 5. CONTRIBUTED EQUITY (CONTINUED)**

**Movements in ordinary shares on issue**

Date		Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$'000
<b>Balance 30 June 2021</b>		<b>2,677,756,397</b>			<b>2,489,082</b>
August 2021	SARs exercised	134,674			12
September 2021	SARs exercised	95,078			9
September 2021	SARs exercised	79,804			4
October 2021	SARs exercised	174,019			6
November 2021	SARs exercised	600,000			51
January 2022	SARs exercised	101,015			8
March 2022	SARs exercised	226,903			21
April 2022	Institutional Offer	277,777,778	0.72	1.31636	151,934
May 2022	Share Purchase Plan Transaction costs	20,833,334	0.72	1.41781	10,580 (5,929)
<b>Balance 30 June 2022</b>		<b>2,977,779,002</b>			<b>2,645,778</b>
September 2022	PRs exercised	200,000	0.82	1.39811	117
September 2022	SARs exercised	100,000	0.125	1.46503	9
October 2022	PRs exercised	1,095,000	0.82	1.38346	649
October 2022	SARs exercised	196,828	0.089	1.40173	12
November 2022	SARs exercised	500,000	0.125	1.46603	43
December 2022	SARs exercised	100,000	0.21	1.32628	16
<b>Balance 31 December 2022</b>		<b>2,979,970,830</b>			<b>2,646,624</b>

**NOTE 6. EXPENSES**

	Six months ended 31 December	
	2022 US\$'000	2021 US\$'000
<b>Administration, marketing, care and maintenance, and non-production costs</b>		
Corporate and marketing	(1,793)	(1,615)
LHM mine site	(2,568)	(1,560)
LHM depreciation	(1,352)	(7,425)
Other costs	(742)	(112)
Share-based payments	(1,387)	(689)
<b>Total</b>	<b>(7,842)</b>	<b>(11,401)</b>



**NOTE 7. ASSETS CLASSIFIED AS HELD FOR SALE**

	<b>31 December 2022 US\$'000</b>	<b>30 June 2022 US\$'000</b>
Financial assets at fair value through other comprehensive income	<u>1,012</u>	-

Included in the Group's current financial assets is an investment in Global Atomic Corporation (GLO) a company listed on the Toronto Stock Exchange. This investment arose as a result of the merger of Silvermet Inc and Global Atomic Fuels Corporation (GAFC) – an unlisted company in which the Group held an investment. The investment in GAFC had been fully impaired during the financial year ended 30 June 2013.

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

	<b>Total US\$'000</b>	<b>Plant and Equipment US\$'000</b>	<b>Land and Buildings US\$'000</b>	<b>Construction Work in Progress US\$'000<sup>(1)</sup></b>
<b>At 30 June 2022</b>				
Cost	362,863	351,407	9,860	1,596
Accumulated depreciation	(196,589)	(190,773)	(5,816)	-
<b>At 31 December 2022</b>				
<b>Net carrying value</b>				
At 1 July 2022	166,274	160,634	4,044	1,596
Additions	5,877	304	36	5,537
Depreciation and amortisation expense	(1,424)	(1,401)	(23)	-
Disposals	-	-	-	-
Foreign currency translation	(6)	(6)	-	-
<b>At 31 December 2022</b>	<b>170,721</b>	<b>159,531</b>	<b>4,057</b>	<b>7,133</b>
Cost	368,701	351,672	9,896	7,133
Accumulated depreciation	(197,980)	(192,141)	(5,839)	-

**Change in Accounting Estimate**

As a result of the decision to return the Langer Heinrich Mine (LHM) to production, there has been a change in the basis for depreciating the LHM Plant. Whilst LHM was in Care and Maintenance, relevant tangible non-current assets were depreciated using the Straight Line method. From 1 July 2022, the basis of depreciation has changed prospectively to the units of production method over the remaining useful life of the assets resulting in a nil depreciation charge for those assets for the period. This has resulted in a reduction in depreciation charges of US\$5,234,000 for the period.

<sup>(1)</sup> Construction Work in Progress includes certain items that will be reclassified as Mine Development costs when capitalised.



**NOTE 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Impairment of Property, Plant and Equipment; Mine Development and Intangibles

Property, plant and equipment; mine development and intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Since 30 June 2022, there have been no events or changes in circumstances to indicate that the carrying value may not be recoverable.

**NOTE 9. MINE DEVELOPMENT**

	<b>31 December 2022 US\$'000</b>	<b>30 June 2022 US\$'000</b>
Cost	70,180	63,091
Accumulated depreciation	(48,116)	(48,116)
<b>At 31 December 2022</b>		
<b>Net carrying value</b>		
At 1 July	14,975	16,748
Additions	7,089	-
Depreciation and amortisation expense	-	(1,773)
<b>At 31 December</b>	<b>22,064</b>	<b>14,975</b>

**Change in Accounting Estimate**

As a result of the decision to return the Langer Heinrich Mine (LHM) to production, there has been a change in the basis for depreciating the LHM Plant. Whilst LHM was in Care and Maintenance, relevant tangible non-current assets were depreciated using the Straight Line method. From 1 July 2022, the basis of depreciation has changed prospectively to the units of production method over the remaining useful life of the assets resulting in a nil depreciation charge for those assets for the period. This has resulted in a reduction in depreciation charges of US\$852,000 for the period.

## Notes to the Condensed Consolidated Financial Statements

### For the six months ended 31 December 2022



#### NOTE 10. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the period ended 31 December 2022:

Areas of interest	Australia (Valhalla /Skal) US\$'000	Australia (Isa North) US\$'000	Australia (Carley Bore) US\$'000	Canada <sup>(1)</sup> US\$'000	Australia (Manyingee/ Other) US\$'000	Australia (Fusion) US\$'000	Namibia (Langer Heinrich) US\$'000	Total US\$'000
Balance 30 June 2022	39,636	8,082	7,965	30,602	7,636	317	7,089	101,327
Expenditure capitalised	84	169	21	720	47	63	-	1,104
Expenditure transferred to Mine development	-	-	-	(1,522)	-	-	(7,089)	(7,089)
Foreign exchange differences	-	-	-	(1,522)	-	-	-	(1,522)
<b>Balance 31 December 2022</b>	<b>39,720</b>	<b>8,251</b>	<b>7,986</b>	<b>29,800</b>	<b>7,683</b>	<b>380</b>	<b>-</b>	<b>93,820</b>

(1) Paladin currently holds a 70% interest in a special purpose joint venture (Michelin Joint Venture) that owns the Michelin Project. The Michelin Joint Venture includes a mandatory transfer provision over a four-year period whereby Paladin will receive an additional 5% participating interest in the Michelin Project on an annual basis (up to 75%) in return for Paladin funding all obligations for the Michelin Project over this period. Paladin recognises control over the Michelin Joint Venture resulting in the consolidation of 100% of the Canadian assets with a non-controlling interest recognised for Michelin Nominees Limited's 30% interest in the Michelin Project.



**NOTE 11. COMMITMENTS AND CONTINGENCIES**

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 31 December 2022 other than:

	<b>31 December 2022 US\$'000</b>	<b>30 June 2022 US\$'000</b>
<b>Tenements</b>		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	164	41
Later than one year but not later than 5 years	2,987	3,671
More than 5 years	355	90
<b>Total tenements commitments</b>	<b>3,506</b>	<b>3,802</b>

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Namibian, Canadian, Western Australian 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.

In relation to the Manyingee Project, the re-negotiated acquisition terms provide for a payment of A\$750,000 (US\$516,657) (2021: A\$750,000 (US\$564,899)) by the Group to the vendors when all project development approvals are obtained.

All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Namibia, Australia and Canada.

**Other Commitments**

Commitments for transport, capital, purchase order commitments, fuel and utilities and other supplies contracted for at the reporting date but not recognised as liabilities, payable:

Within one year <sup>(1)</sup>	25,738	444
Later than one year but not later than 5 years	743	791
More than 5 years	492	517

<b>Total other commitments</b>	<b>26,973</b>	<b>1,752</b>
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<sup>(1)</sup> Includes commitments relating to the Restart Project

**NOTE 12. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

Since the 31 December 2022, 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.

## Directors' Declaration

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In the opinion of the Directors of Paladin Energy Ltd:

- (a) the condensed consolidated financial statements and notes of Paladin Energy Ltd set out in pages 9 to 22 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors

On behalf of the Board



Mr Cliff Lawrenson  
Chairman  
Perth, Western Australia  
23 February 2023





# Independent auditor's review report to the members of Paladin Energy Ltd

## Report on the half-year financial report

### **Conclusion**

We have reviewed the half-year financial report of Paladin Energy Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and condensed consolidated income statement for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Paladin Energy Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Responsibilities of the directors for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Justin Carroll'.

Justin Carroll  
Partner

Perth  
23 February 2023