Paladin Energy Ltd

ABN or equivalent company reference

ACN. 061 681 098

Results for announcement to the market

				31 December 2023 US$'000	31 December 2022 US$'000
Revenue from sales of uranium oxide	-	-	to	-	-
Total revenue	-	-	to	-	-
Gain/(loss) after tax attributable to members	Up	1,383%	to	61,408	(4,786)
Net gain/(loss) for the period attributable to members	Up	1,383%	to	61,408	(4,786)
Gain/(loss) per share (US cents)				2.1	(0.2)

Dividends	**Amount per security**	**Franked amount per security**
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 2023	31 December 2022
Net tangible assets per share	US$0.14	US$0.11

Other

Previous corresponding period is the half year ended 31 December 2022.

All foreign subsidiaries are prepared using IFRS.

Interim Financial Report

For the Six Months Ended 31 December 2023

ACN 061 681 098

TABLE OF CONTENTS

The Financial Report covers the Group consisting of Paladin Energy Ltd (referred throughout as the Company or Paladin) and its controlled entities (the Group).

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 2024. With proven operations performance over 10 years, Langer Heinrich is on track for successful, long-life operation delivering real stakeholder value. Paladin remains fully committed to a globally accredited ESG framework that represents best practice and sets standards of organisational behaviour.

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 2023
- Over 2 million hours have been worked on the LHM Restart Project without any serious injuries and with no reportable environmental incidents
- The LHM is transitioning its Health, Safety and Environment framework, systems and processes to an operational focus.

Operational Performance

- Production activities have commenced with first ore feed into the LHM processing plant on 20 January 2024 following successful commissioning of the beneficiation circuit
- Paladin's owner team, alongside its EPCM partner, continued to progress and execute activities focused on returning the LHM to production:
    - The project is over 93% complete with final construction and ongoing commissioning activities continuing across the processing plant
    - Paladin continues to target first commercial production by the end of Q1 CY2024, but notes that lower contractor productivity over the Christmas / New Year period may result in a delay to early Q2 CY2024
    - The Company is forecasting total project capital costs of approximately US$125M (previously US$118M)
    - Recruitment of approximately 90% of the operations team, with all critical roles filled with experienced personnel
    - Demobilisation of the contractor workforce has commenced with approximately 760 personnel on site in January 2024, a significant reduction from the peak of 1,200

  - Operational readiness activities are nearing completion, with operational systems for safety, maintenance and production completed
  - Robust shut-down and start-up plans established
  - Majority of the construction verification activities complete or nearing completion
  - Installation of the new Final Product Recovery (FPR) plant has commenced
  - Mobilisation of all equipment and personnel by the contractor for stockpile rehandling is now complete
  - All reagents delivered and stored on site or at local suppliers
  - Delivery of all commissioning spares and of the majority of critical and operational spares
  - Continued progress of power and water capacity upgrades with completion of the NamWater pipeline booster 2 upgrade works.

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
- Paladin now holds a 100% interest in the Michelin Project in Labrador, Canada. As a result of the funding and dilution provisions of the Joint Venture Agreement, the Michelin Nominees surrendered their 25% participating interest in the Michelin Joint Venture and the 25% interest has been transferred to Aurora Energy Limited
- Paladin has been granted mineral licences for prospective new ground adjoining the Michelin Project and has exclusive rights to explore these tenements
- The exploration program undertaken this quarter has continued to focus on detailed geological and structural mapping of prospective areas of the tenement, with the commencement of an initial drilling program.

Uranium Marketing Activities

- Paladin currently has approximately 80% uncapped upside exposure to the uranium spot price through to the end of CY2030. The Company also has flexible shipping arrangements and early payment terms with its largest customer, providing significant delivery flexibility and improved cash flow during the LHM operational ramp-up. Paladin successfully executed a non-material offtake agreement for the supply of uranium to an industry leading counterparty in Europe
- Paladin has a geographically diverse offtake book, with seven offtake agreements executed with top-tier counterparties in the US, Europe and China. These contracts range in type and duration and provide base-escalated, fixed-price and market-related pricing mechanisms
- Paladin successfully executed commercial agreements with two Western conversion facilities and commercial negotiations with shipping companies are being finalised ahead

of the Company's imminent return to production
- Paladin received export permits from the Ministry of Mines & Energy in Namibia for 2024.

Corporate

- Paladin's 2023 Sustainability Report was published 17 October 2023, confirming the Company's commitment to delivering value through sustainable development
- The Company held US$61.6M of cash and cash equivalents as at 31 December 2023 (excluding restricted cash of US$1M), and has no corporate debt at balance date
- In January 2024 Paladin executed a US$150M syndicated debt facility to provide capital flexibility as the Company recommences operations at the LHM and progresses its growth options.

FINANCIAL PERFORMANCE

Key financial performance metrics		Six months ended 31 December		
		2023	2022	% Change
Earnings				
Net profit/(loss) after tax from continuing operations	US$'000	**76,781**	**(13,312)**	677
Profit/(loss) after tax attributable to members	US$'000	**61,408**	**(4,786)**	1,383
Cash Flows				
Cash flows from operating activities	US$'000	**(9,399)**	**(4,050)**	(132)
Capital expenditure	US$'000	**(55,717)**	**(7,394)**	(654)
Free cash flows [1]	US$'000	**(65,116)**	**(11,444)**	(469)

Earnings

Net profit after tax from continuing operations includes:

- The reversal of an impairment charge of the existing LHM ore stockpiles (previously recognised in FY2016) as a result of changed economic circumstances taking into account the Restart Project's progress, the negotiation of key contracts and the improvement in the uranium market prices. The reversal resulted in a gain of US$92.2M. Approximately 45% of the original stockpile impaired was processed prior to the LHM going into care and maintenance (refer Note 7)
- Recognition of income tax expense attributed to the Australian Tax Group of US$1.7M
- An increase in corporate and marketing costs of US$1.3M over the prior year

[1] Free Cash Flows equals the total of 'cash flows from operating activities' plus 'capital expenditure'.

In addition, pre-production costs of US$6.1M were capitalised into Mine Development costs.

Key financial performance metrics		As at 31 December 2023	As at 30 June 2023	% Change
Financial Position				
Unrestricted cash and cash equivalents	US$'000	**61,592**	**126,636**	(51)
Total equity	US$'000	**413,841**	**335,084**	24

Cash Flows

The Group had unrestricted cash and cash equivalents at 31 December 2023 of US$61.6M. Unrestricted cash and cash equivalents decreased by US$65.1M during the period comprising of the following cash flows:

- Interest received and other income – US$1.7M cash inflows received
- Sale of investments – US$1.9M cash inflows from the sale of shares in Lotus Resources
- LHM Restart Project expenditure – US$47.2M cash outflows for the Restart Project into Capital Work in Progress
- LHM operations expenditure – US$10.3M cash outflows for operational expenditure at LHM including capitalised pre-production costs of US$6.1M
- Corporate expenditure – US$7.0M cash outflows for corporate and staff costs
- Exploration expenditure – US$3.0M cash outflows to meet minimum tenement commitments for exploration projects
- Property Plant and Equipment – US$1.4M cash outflows to acquire new property, plant and equipment outside the Restart Project
- Effect of movement in exchange rate of cash held – US$0.1M cash increase predominantly due to the translation of Australian dollars held

Financial Position

Unrestricted group cash and cash equivalents decreased during the period by 51% to US$61.6M.

Paladin had no corporate debt at 31 December 2023. In January 2024 Paladin executed a US$150M syndicated debt facility to provide capital flexibility as the Company recommences operations at the LHM and progresses its growth options.

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 2023.

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)
Dr Jon Hronsky OAM (Non-executive Director)
Ms Lesley Adams (Non-executive Director)

Review of Operations

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

The profit after tax attributable to the ordinary equity holders for the six months ended 31 December 2023 was US$61.4M (loss after tax of US$4.8M for the six months ended 31 December 2022).

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
22 February 2024

Auditor's Independence Declaration

As lead auditor for the review of Paladin Energy Ltd for the half-year ended 31 December 2023, 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.

Justin Carroll
Partner
PricewaterhouseCoopers

Perth
22 February 2024

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Condensed Consolidated Income Statement
For the six months ended 31 December 2023

	Notes	2023 US$'000	2022 US$'000
Revenue			
Revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Other Income			
Interest received		1,745	1,965
Other income		27	293
Total		1,772	2,258
Administration, marketing and non-production costs	6	(9,264)	(7,842)
Other gains	6	67	-
Impairment reversal	6	92,195	-
Foreign exchange loss (net)		(977)	(650)
Profit/(loss) before interest and tax		83,793	(6,234)
Finance costs		(5,286)	(7,078)
Net profit/(loss) before income tax		**78,507**	**(13,312)**
Income tax expense		(1,726)	-
Net profit/(loss)loss after tax		**76,781**	**(13,312)**
Attributable to:			
Non-controlling interests		15,373	(8,526)
Members of the parent		61,408	(4,786)
Net profit/(loss) after tax		**76,781**	**(13,312)**
Profit/(loss) per share (US cents)			
Profit/(loss) after tax from operations attributable to ordinary equity holders of the Company			
- continuing operations, basic (US cents)		2.1	(0.2)
- continuing operations, diluted (US cents)		2.0	(0.2)

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

	2023 US$'000	2022 US$'000
Net profit/(loss) after tax for the period	**76,781**	**(13,312)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	224	(1,550)
Items that will not be reclassified to profit or loss:		
Changes in the fair value of available for sale investments at fair value through other comprehensive income	350	1,012
Other comprehensive income for the period, net of tax	**574**	**(538)**
Total comprehensive profit/(loss)for the period	**77,355**	**(13,850)**
Total comprehensive profit for the period is attributable to:		
Non-controlling interests	15,373	(8,526)
Members of the parent	61,982	(5,324)
	77,355	(13,850)

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 2023

	Notes	As at 31 December 2023 US$'000	As at 30 June 2023 US$'000
ASSETS			
Current assets			
Cash and cash equivalents		61,592	126,636
Restricted cash		1,023	1,014
Trade and other receivables		6,036	2,756
Prepayments		8,699	11,127
Inventories	7	30,350	5,646
Financial assets held for sale	8	-	1,590
TOTAL CURRENT ASSETS		107,700	148,769
Non-current assets			
Trade and other receivables		826	355
Inventories	7	67,616	-
Property, plant and equipment	9	251,832	197,928
Right-of-use assets		1,670	817
Mine development	10	28,152	22,064
Exploration and evaluation expenditure	11	98,703	95,321
Intangible assets		7,793	7,793
TOTAL NON-CURRENT ASSETS		456,592	324,278
TOTAL ASSETS		564,292	473,047
LIABILITIES			
Current liabilities			
Trade and other payables		12,473	9,094
Lease liabilities		278	159
Provisions		2,300	331
TOTAL CURRENT LIABILITIES		15,051	9,584
Non-current liabilities			
Other interest-bearing loans - CNNC		93,366	89,708
Lease liabilities		1,398	622
Provisions		40,636	38,049
TOTAL NON-CURRENT LIABILITIES		135,400	128,379
TOTAL LIABILITIES		150,451	137,963
NET ASSETS		**413,841**	**335,084**
EQUITY			
Contributed equity	5	2,648,377	2,646,644
Reserves		(69,668)	(70,004)
Accumulated losses		(2,099,893)	(2,169,066)
Parent interests		478,816	407,574
Non-controlling interests		(64,975)	(72,490)
TOTAL EQUITY		**413,841**	**335,084**

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 2023

	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
Balance at 1 July 2022	**2,645,778**	**(71,917)**	**(2,160,834)**	**413,027**	**(54,615)**	**358,412**
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
Balance at 31 December 2022	**2,646,624**	**(71,914)**	**(2,165,620)**	**409,090**	**(63,141)**	**345,949**
Balance at 1 July 2023	**2,646,644**	**(70,004)**	**(2,169,066)**	**407,574**	**(72,490)**	**335,084**
Profit for the period	-	-	61,408	61,408	15,373	76,781
Other comprehensive income	-	574	-	574	-	574
Total comprehensive profit for the period, net of tax	-	574	61,408	61,982	15,373	77,355
Transfer of loss on disposal of equity investments at fair value through Other Comprehensive Income		93	(93)	-	-	-
Transfer in of 25% share of Michelin Project	-		7,858	7,858	(7,858)	-
Share-based payment	-	1,402	-	1,402	-	1,402
Vesting performance rights	1,733	(1,733)	-	-	-	-
Balance at 31 December 2023	**2,648,377**	**(69,668)**	**(2,099,893)**	**478,816**	**(64,975)**	**413,841**

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

	2023 US$'000	2022 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(11,168)	(5,842)
Other income	27	50
Interest received	1,742	1,742
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	(9,399)	(4,050)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,378)	(380)
Proceeds from disposal of financial assets at fair value through profit or loss	1,950	-
Pre-production costs and capitalised mine development costs	(6,088)	-
Capitalised exploration expenditure	(3,030)	(1,083)
LHM Restart Project costs	(47,171)	(5,931)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(55,717)	(7,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other interest-bearing loans - CNNC	-	85
NET CASH INFLOW FROM FINANCING ACTIVITIES	-	85
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(65,116)	(11,359)
Cash and cash equivalents at the beginning of the period	126,636	177,066
Effects of exchange rate changes on cash and cash equivalents	72	(2,501)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	61,592	163,206

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 2023 was authorised for issue in accordance with a resolution of the Directors on 22 February 2024.

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 11, 197 St Georges Terrace, Perth, Western Australia. The nature of the operations and principal activities of the Group are described in the Operating and Financial Review 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 2023 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 2023 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 2023 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2023. 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 LHM to production with a forecast 18 month restart schedule and a US$118M budget.

During the period, Paladin's owner team, alongside its EPCM partner, continued to progress and execute activities focused on returning the LHM to production. The project is approximately 93% complete as at 31 December 2023. Further details of the Restart Project's progress are included in the Operational and Financial Review on pages 3 to 6.

NOTE 3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD (CONTINUED)

The Company is forecasting total project capital costs of approximately US$125M (previously US$118M) and continues to target first commercial production by the end of Q1 CY2024/early Q2 CY2024.

At 31 December 2023 the impairment of the existing LHM ore stockpiles (previously recognised in FY2016) was reversed as a result of changed economic circumstances taking into account the Restart Project's progress, the negotiation of key contracts and the improvement in the uranium market prices. The reversal of the impairment of LHM ore stockpiles resulted in a gain of US$92.2M. Subsequent to 30 June 2016, approximately 45% of the original impaired stockpile was consumed prior to the LHM going into care and maintenance (refer Note 7).

During the period, pre-production costs, including commissioning costs incurred at LHM amounting to US$6.1M were capitalised into Mine Development costs.

As at 31 December 2023, Paladin has recognised a tax expense arising from its Australian Tax Consolidation Group of US$1.7M.

During the period Michelin Nominees surrendered their 25% participating interest in the Michelin Joint Venture to Aurora Energy Ltd as a result of the funding and dilution provisions of the Joint Venture Agreement. Paladin now holds a 100% interest in the Michelin Project in Labrador, Canada.

NOTE 4. SEGMENT INFORMATION

Identification of Reportable Segments

The Group 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:

- Exploration - this segment is focused on developing exploration and evaluation projects in Australia and Canada.
- Namibia - this segment is focused on the proposed production and sale of uranium from the LHM located in this country's geographic region.
- Australia - this segment includes the Group's sales and marketing, corporate and administration functions.

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 segments 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 2023 and 31 December 2022.

Six months ended 31 December 2023	Exploration US$'000	Namibia US$'000	Australia US$'000	Consolidated US$'000
Sales to external customers	-	-	-	-
Total consolidated revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	79	1,693	1,772
Other gains	-	-	67	67
Impairment reversal	-	92,195	-	92,195
Other expenses	(39)	(4,558)	(4,667)	(9,264)
Foreign exchange losses	-	-	-	(977)
Segment gain (loss) before income tax and finance costs	(39)	87,716	(2,907)	83,793
Finance costs	-	(5,265)	(21)	(5,286)
Segment gain (loss) before income tax	(39)	82,451	(2,928)	78,507
Income tax expense	-	-	(1,726)	(1,726)
Segment gain (loss) after income tax	**(39)**	**82,451**	**(4,654)**	**76,781**
At 31 December 2023				
Segment total assets	**99,140**	**411,656**	**53,496**[1]	**564,292**

[(1)] Includes US$49.5M in cash and cash equivalents.

Six months ended 31 December 2022	Exploration US$'000	Namibia US$'000	Australia US$'000	Consolidated US$'000
Sales to external customers	-	-	-	-
Total consolidated revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	57	2,201	2,258
Other expenses	(14)	(4,781)	(3,048)	(7,843)
Foreign exchange losses	-	-	-	(649)
Segment (loss) before income tax and finance costs	(14)	(4,724)	(847)	(6,234)
Finance costs	-	(3,402)	(3,676)	(7,078)
Segment (loss) before income tax	(14)	(8,126)	(4,523)	(13,312)
Income tax expense	-	-	-	-
Segment loss after income tax	**(14)**	**(8,126)**	**(4,523)**	**(13,312)**
At 31 December 2023				
Segment total assets	**94,150**	**214,007**	**166,303**[2]	**474,460**

[(2)] Includes US$163.2M in cash and cash equivalents.

NOTE 5. CONTRIBUTED EQUITY

Issued and paid up capital

	31 December 2023 Number	30 June 2023 Number	31 December 2023 US$'000	30 June 2023 US$'000
Ordinary shares				
Issued and fully paid	2,983,375,533	2,980,146,447	2,648,377	2,646,644

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 2023 Number	30 June 2023 Number
Number of unlisted employee share appreciation rights	2,643,000	2,878,500

Consisting of the following:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
27 September 2016	1 November 2019	1 November 2024	A$0.08	A$0.20	18,000
16 April 2018	16 April 2019	16 April 2024	A$0.05	A$0.15	12,500
16 April 2018	16 April 2020	16 April 2025	A$0.07	A$0.15	12,500
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	20,000
1 October 2019	1 October 2021	1 October 2026	A$0.04	A$0.12	40,000
1 October 2019	1 October 2022	1 October 2027	A$0.05	A$0.12	40,000
Total					**2,643,000**

NOTE 5. CONTRIBUTED EQUITY (CONTINUED)

Performance Rights (PRs)

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

	31 December 2023 Number	30 June 2023 Number
Number of unlisted employee performance rights	17,473,048	14,907,327

Consisting of the following:

Date granted	Expiry date [1]	Fair value	Vesting price[2]	Number
3 November 2021[3]	1 July 2026	A$0.705	A$0.00	2,431,153
3 November 2021[3]	1 July 2026	A$0.766	A$0.00	2,431,152
1 July 2022	30 June 2027	A$0.58	A$0.00	225,000
28 September 2022[3]	28 September 2027	A$0.735	A$0.00	529,151
28 September 2022[3]	28 September 2027	A$0.735	A$0.00	537,099
28 September 2022[3]	28 September 2027	A$0.631	A$0.00	1,748,984
28 September 2022[3]	28 September 2027	A$0.629	A$0.00	1,748,984
13 October 2022	28 September 2027	A$0.755	A$0.00	900,000
13 October 2022	28 September 2027	A$0.825	A$0.00	82,500
1 February 2023	1 February 2028	A$0.605	A$0.00	500,000
28 March 2023[3]	28 March 2028	A$0.605	A$0.00	203,401
28 March 2023[3]	28 March 2028	A$0.484	A$0.00	271,200
28 March 2023[3]	28 March 2028	A$0.412	A$0.00	271,201
17 October 2023[3]	17 October 2028	A$0.776	A$0.00	2,571,611
17 October 2023[3]	17 October 2028	A$0.756	A$0.00	2,571,612
4 December 2023	17 October 2028	A$1.06	A$0.00	450,000
Total				**17,473,048**

(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	Fair Value A$	Exchange Rate US$: A$	Total US$'000
Balance 30 June 2022		**2,977,779,002**			**2,645,778**
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
January 2023	SARs exercised	126,875	0.079(1)	1.32132	11
April 2023	SARs exercised	29,662	0.17	1.28854	5
May 2023	SARs exercised	19,080	0.17	1.28854	4
Balance 30 June 2023		**2,980,146,447**			**2,646,644**
July 2023	PRs exercised	900,000	0.755	1.50373	452
July 2023	PRs exercised	82,500	0.825	1.50373	45
October 2023	PRs exercised	2,045,000	0.945	1.57550	1,227
October 2023	SARs exercised	201,586	0.064	1.57550	9
Balance 31 December 2023		**2,983,375,533**			**2,648,377**

(1) Multiple tranches were exercised at fair values between A$0.0297-A$0.17 with an average of A$0.079

NOTE 6. EXPENSES

	Six months ended 31 December 2023 US$'000	Six months ended 31 December 2022 US$'000
Other gains		
Gain on termination of lease	67	-
Reversal of impairment of ore stockpile	92,195	-
Administration, marketing, care and maintenance, and non-production costs		
Corporate and marketing	(3,143)	(1,793)
LHM mine site	(2,600)	(2,568)
LHM depreciation	(1,360)	(1,352)
Other costs	(759)	(742)
Share-based payments	(1,402)	(1,387)
Total	**(9,264)**	**(7,842)**

NOTE 7. INVENTORIES

	2023 US$'000	2022 US$'000
Current		
Stores and consumables (at cost)	5,771	5,646
Ore stockpiles (at cost)	24,579	-
Total current inventories at the lower of cost and net realisable value	**30,350**	**5,646**
Non-Current		
Ore stockpiles (at cost)	67,616	-
Total non-current inventories at the lower of cost and net realisable value	**67,616**	**-**

Ore Stockpiles at the LHM that are not expected to be processed within 12 months of the balance sheet date are classified as non-current.

Change in Accounting Estimate
Reversal of Impairment of Ore Stockpile
During 2016, the carrying value of ore stockpiles held at LHM was reduced to net realisable value resulting in an impairment loss of US$168.M for the year, recognised in other expenses. Subsequent to 30 June 2016, approximately 45% of the original impaired stockpile was consumed prior to the LHM going into care and maintenance. Management consider the impairment on the remaining ore stockpile should be reversed in view of the changed economic circumstances taking into account the Restart Project's progress, the negotiation of key contracts and the improvement in the uranium market prices.

NOTE 8. FINANCIAL ASSETS HELD FOR SALE

	31 December 2023 US$'000	30 June 2023 US$'000
Financial assets at fair value through other comprehensive income	-	**1,590**

Included in the Group's current financial assets at 30 June 2023 was an investment in Lotus Resources Limited a company listed on the ASX. This investment arose as part of the final consideration in relation to the sale of Paladin (Africa) Ltd to Lotus Resources Ltd completed on 13 March 2020. Since 1 July 2023, the shares have been sold at market prices ranging from A$0.235 to A$0.236 per share, for gross proceeds of A$3.0M (US$1.9M). Immediately prior to the sale the shares were revalued to fair value of US$2.0M based on the closing share price immediately prior to sale. On sale the amount in the Asset Revaluation Reserve associated with those shares of US$0.1M was transferred to retained earnings (net of tax $Nil).

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

	Total US$'000	Plant and Equipment US$'000	Land and Buildings US$'000	Construction Work in Progress US$'000[1]
At 30 June 2023				
Cost	384,866	339,813	9,410	35,643
Accumulated depreciation	(186,938)	(181,281)	(5,657)	-
At 31 December 2023				
Net carrying value				
Opening net book value	197,928	158,532	3,753	35,643
Additions	55,387	690	272	54,425
Depreciation and amortisation expense	(1,483)	(1,481)	(2)	-
Disposals	-	-	-	-
Closing net book value	**251,832**	**157,741**	**4,023**	**90,068**
Cost	440,253	340,503	9,682	90,068
Accumulated depreciation	(188,421)	(182,762)	(5,659)	-

[1] Construction Work in Progress includes certain items that will be reclassified as Mine Development costs when capitalised.

Change in Accounting Estimate

As a result of the decision to return the LHM to production, there was 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 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.

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 2023, there have been no events or changes in circumstances to indicate that the carrying value may not be recoverable.

NOTE 10. MINE DEVELOPMENT

	31 December 2023 US$'000	30 June 2023 US$'000
At 30 June 2023		
Cost	76,268	70,180
Accumulated depreciation	(48,116)	(48,116)
Net carrying value		
Opening net book amount	22,064	14,975
Additions	6,088	7,089
Depreciation and amortisation expense	-	-
Closing net book amount	**28,152**	**22,064**

Included in Mine Development costs are pre-production costs amounting to US$6.088M recognised in the period.

Change in Accounting Estimate

As a result of the decision to return the LHM to production, there was 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 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.

NOTE 11. 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 2023:

	Australia (Valhalla /Skal)	Australia (Isa North)	Australia (Carley Bore)	Canada[1]	Australia (Manyingee/ Other)	Australia (Fusion)	Total
Areas of interest	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance 30 June 2023	39,735	8,269	7,997	31,212	7,717	391	95,321
Expenditure capitalised	82	131	16	2,567	52	67	2,915
Foreign exchange differences	-	-	-	467	-	-	467
Balance 31 December 2023	**39,817**	**8,400**	**8,013**	**34,246**	**7,769**	**458**	**98,703**

(1) At 30 June 2023 Paladin held a 75% interest in a special purpose joint venture (Michelin Joint Venture) that owns the Michelin Project. In October 2023 Paladin acquired the remaining 25% of the Michelin Joint Venture when the Joint Venture Participants defaulted on their cash obligations. Paladin maintains control over the Michelin Joint Venture resulting in the consolidation of 100% of the Canadian assets.

NOTE 12. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Interim Financial Report of the Group as at 31 December 2023 other than:

	31 December 2023 US$'000	30 June 2023 US$'000
Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	130	377
Later than one year but not later than 5 years	7,384	3,389
More than 5 years	1,352	433
Total tenements commitments	**8,866**	**4,199**

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 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$0.75M (US$0.5M) (30 June 2023: A$0.75M (US$0.5M)) 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.

	31 December 2023 US$'000	30 June 2023 US$'000
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[1]	18,434	52,477
Later than one year but not later than 5 years	741	703
More than 5 years	286	376
Total other commitments	**19,461**	**53,556**

(1) Incudes commitments relating to the Restart Project

NOTE 13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the 31 December 2023, other than that noted below, 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.

Production activities have commenced with first ore feed into the LHM processing plant on 20 January 2024 following successful commissioning of the beneficiation circuit.

Paladin executed a US$150 million syndicated debt facility (Debt Facility) on 24 January 2024, with two lending financial institutions, Nedbank Limited, acting through its Corporate and Investment Banking division (Nedbank CIB) and Macquarie Bank Limited, with Nedbank CIB acting as lead arranger and bookrunner.

The Debt Facility comprises:

- A US$100 million amortising term loan (Term Facility) with a 5-year term; and
- A US$50 million revolving credit facility (Revolving Facility) with a 3-year term (with two options to extend by 12 months).

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 25 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 2023 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
22 February 2024

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 2023, 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 2023 and of its performance for the half-year ended on that date, and
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.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999

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 2023 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.

PricewaterhouseCoopers

Justin Carroll
Partner

Perth
22 February 2024