



PALADIN

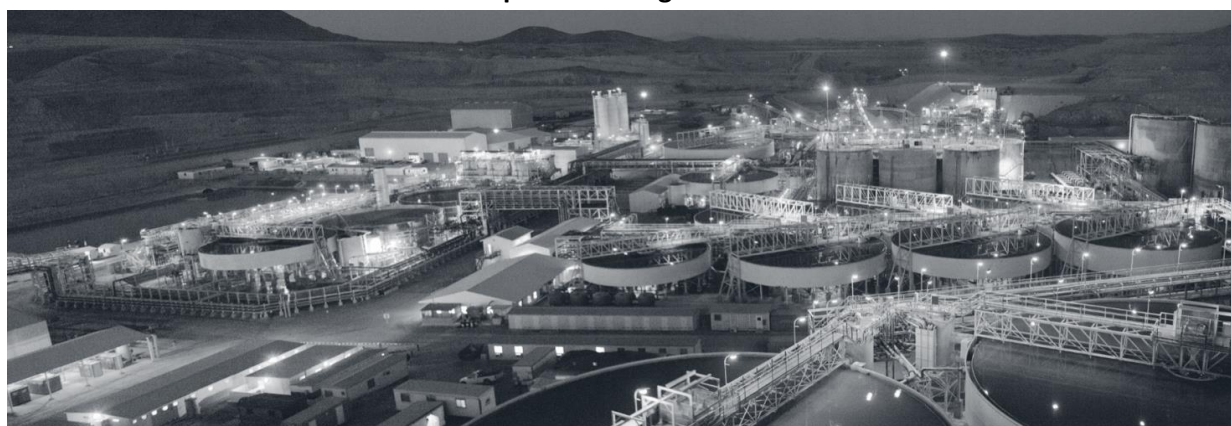
Clean energy. Clear future.

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ASX Announcement
22 July 2021

PALADIN ENERGY LTD
ABN 47 061 681 098
ASX:PDN
OTCQX: PALAF

Quarterly Activities Report For the period ending 30 June 2021



Paladin Energy Limited (“Paladin” or “the Company”) is pleased to provide an update on its activities and cashflow for the quarter ended 30 June 2021.

HIGHLIGHTS

- The Company continued to progress the critical-path elements of its restart plan for the globally significant Langer Heinrich Mine (LHM), including:
 - Ongoing pit and mining schedule optimisation
 - Critical engineering documentation and completion of dynamic modelling scenario analysis
 - High level project delivery schedule development and mining contractor analysis
- Broadening of the Company’s executive team with the appointments of Mr Jess Oram as General Manager Exploration and Mr Alex Rybak as General Manager Business Development & Marketing
- Appointment of Ms Melissa Holzberger and Ms Joanne Palmer as independent non-executive directors of the Company
- Increased the Company’s ownership in the Michelin Project, a high-grade uranium exploration project located in Labrador, Canada to 65% (previously 60%)
- Completion of the Retail Entitlement Offer, with the total Placement and Entitlement Offer raising approximately A\$218.7 million (before costs)
- Redemption and cancellation of the US\$115M Senior Notes and the discharge of all related security, which has reset Paladin’s capital structure
- Continued engagement with global nuclear energy utilities with the intent of securing uranium term-price contracts with sufficient duration and value to underpin the restart of LHM
- No lost-time injuries or reportable environmental incidents were recorded during the quarter



- The Company held US\$30.7M¹ of cash and cash equivalents as at 30 June 2021 and has no corporate debt
- Net cash expenditure for the quarter was US\$2.9M
- Total expenditure for FY2021 was US\$10.2M, lower than the revised expenditure guidance of US\$10.5M, (initial guidance of US\$9.5M), primarily due to favourable FX movements.

Paladin CEO, Ian Purdy said *“During the quarter Paladin continued to progress the Langer Heinrich Mine towards production and advanced our portfolio of high grade exploration assets. The addition of Jess and Alex to Paladin’s executive team will significantly broaden our internal skill sets, and provides the Company with growth capability beyond the Langer Heinrich Mine restart. I would also like to welcome Melissa and Joanne to the Board of Directors where their experience will support the effective governance of our Company as we prepare for the restart of operations.*

At Langer Heinrich we continue to advance optimisation work and have commenced detailed project delivery and operational readiness planning. We continue to engage with global nuclear energy utilities to secure long term contracts to underpin the restart of Langer Heinrich and ensure the project, when re-started, will deliver significant economic benefit to all of our shareholders.”

MINING PRODUCTION AND DEVELOPMENT ACTIVITIES

Langer Heinrich Mine Restart Plan²

The General Manager Projects and Development concluded a successful six week visit to the Langer Heinrich Mine and operations in Namibia during the quarter. The site visit included meeting with the team, contractors, suppliers, the Governor of Erongo and Senior representatives of water and power utilities, in addition to visiting the mine and plant site.

The Company continued to progress the critical-path elements of the LHM restart, including:

- Ongoing pit and mining schedule optimisation
- Updating Mineral Resource and Ore Reserve Statements
- Critical engineering documentation and deliverables, and completion of dynamic modelling scenario analysis
- High level project delivery schedule development and mining contractor analysis
- Plant and condition survey report and scope of work
- Detailed capital and operational expenditure modelling
- Mining & Geology Report and Process & Plant Report finalisation.

The Company also progressed discussions with NamWater and NamPower over the security of supply and future offtake agreements, and project planning for the optimisation of an existing tailings disposal facility.

Production and Development Activities

- There were no production or development activities during the quarter
- The Company holds a current valid Mining License and Environmental Clearance Certificate which permits the resumption of mining, processing and uranium exports at the LHM

¹ Excluding restricted cash of US\$1M

² ASX Announcement “Langer Heinrich Mine Restart Plan” dated 30 June 2020



- A joint delegation led by the Honourable Minister of Agriculture, Water and Land Reform (MAW&LR) consisting of representatives from the MAW&LR and NamWater visited the LHM to discuss the security of water supply
- Activities during the quarter continued to focus on routine care and maintenance activities, including the continuation of restart, debottlenecking planning and the preservation of the LHM processing plant and related infrastructure
- Site work and contractor activity was reduced to prevent the spread of COVID-19, with essential services maintained and employees working from home where possible
- Environmental monitoring of air, water quality, energy, land-use, radiation and biodiversity continued within the LHM mining license areas.

MINING EXPLORATION ACTIVITIES

- The Company continues to manage its significant exploration portfolio in Australia and Canada
- Minimum tenement commitment requirements to retain these leases were met during the quarter
- The Company is engaged on an ongoing basis with local communities, government and native title holders
- During the quarter the Company increased its ownership in the Michelin Project, a high-grade uranium exploration project located in Labrador, Canada to 65% (previously 60%). Paladin, through its wholly-owned Canadian subsidiaries, now holds a 65% interest in 52,250 hectares of mineral licenses within the Central Mineral Belt of Labrador, Canada. The mineral licenses are coincident with 127.7Mlb of uranium Mineral Resources with an average grade of 860ppm
- The mining tenements held at the end of the quarter and their location are detailed in Appendix One.

OCCUPATIONAL HEALTH AND SAFETY

- The Company had no lost time injuries or reportable environmental incidents recorded during the quarter
- Four employees at the Langer Heinrich Mine tested positive to COVID-19 during the quarter. These employees have now all recovered and returned to work. The Company continued to maintain appropriate protocols across all locations to minimise the potential transmission of COVID-19
- The Company has pledged equipment and oxygen machines to the Directorate of Health in Namibia for use in COVID-19 wards in the Erongo region near the Langer Heinrich Mine as part of the Company's commitment to assist with the pandemic.

CORPORATE ACTIVITIES

- Ms Melissa Holzberger and Ms Joanne Palmer were appointed as independent non-executive directors of the Company effective 13 May 2021. The appointment of Melissa and Joanne reflects Paladin's commitment to developing the highest standards of governance and excellence.
- The appointments of Mr Jess Oram as General Manager Exploration and Mr Alex Rybak as General Manager Business Development & Marketing are effective from 19 July 2021. Their experience will significantly broaden the Company's management capability as we progress towards the restart of the LHM and advance our portfolio of high grade exploration assets.
- The successful completion of the retail component of the 1 for 8.5 fully underwritten accelerated non-renounceable pro-rata entitlement offer of fully paid ordinary shares in the Company (as announced to the ASX on 17 March 2021). The Retail Entitlement Offer closed on 9 April 2021 and raised a total of approximately A\$26.2 million at the offer price of A\$0.37 per New Share. This follows the successful completion of the institutional component of the Entitlement Offer and the placement to institutional investors. In total, the Placement and Entitlement Offer raised approximately A\$218.7 million (before costs).



- The Company fully redeemed the US\$115M Senior Notes with value date 12 April 2021. The Senior Notes have subsequently been cancelled and delisted, and all security registrations have been discharged. The reset of Paladin's capital structure has cleared the Company's corporate debt, providing capital flexibility and a platform to maximise shareholder value upon expected improvements in the uranium market.
- A share sale facility has been provided for small shareholders who hold a parcel of fully paid ordinary shares in the Company that trade on the ASX with a market value of less than A\$500 as at 7:00pm Australian Eastern Standard Time (AEST) on 18 June 2021 (Record Date), (Less Than a Marketable Parcel). The Facility provides shareholders owning less than A\$500 worth of Shares with the ability to sell their shareholding without incurring brokerage or handling costs. The Facility, whilst benefitting small shareholders, will also benefit Paladin as it is expected to significantly reduce the administration costs associated with maintaining a large number of small shareholdings on the Company's share register.
- Paladin upgraded from the Pink Market in the US and commenced trading on the OTCQX Best Market on 2 June 2021. Trading on the OTCQX will provide greater access to US domiciled retail and institutional investors, allowing for greater visibility and accessibility of the Company. Trading of Paladin shares on the OTCQX allows the Company to access new capital and to expand its shareholder base in the US, without the duplicative regulatory requirements of a US exchange listing. The Company will continue to have its primary listing on the ASX.

Cash and Expenditure

- The Company continues to minimise expenditure with net cash expenditure for the quarter of US\$2.9M
- Cash and cash equivalents at 30 June 2021 were US\$30.7M (excluding restricted cash of US\$1M)
- Cash expenditure during the quarter is detailed in the following table:

Cash Expenditure	US\$M
LHM Care & Maintenance	(0.7)
LHM Restart Planning	(0.5)
Exploration	(0.2)
Corporate Costs	(1.3)
Other Net Proceeds	0.0
Foreign Exchange Movement	(0.2)
TOTAL	(2.9)

- The Company's FY2021 full year total expenditure of US\$10.2M (excluding one-off equity raise costs of US\$7.6M) is a significant decrease from FY2020 expenditure of US\$16.8M
- The net cash decrease in FY2021 was US\$4.8M, which includes final settlement receipts for litigation related to previous activities at the Kayelekera Mine of US\$1.3M, receipt from Lotus Resources Ltd of the second tranche of the environmental bond of US\$1M, and a favourable FX movement of US\$3M
- The Company participated in a spot uranium transaction during the quarter, with net cash flows of US\$0.01M



- During the quarter, the final 25% of the Executive Performance Rights vested resulting in 10.75M shares being issued on 14 May 2021. All shares issued upon the vesting of Performance Rights are held in escrow for a year, and there is no cash impact upon the vesting of Performance Rights.

Related Party Payments

- Payments of US\$61,012 were made to related parties and their associates during the quarter, being the payment of Director's Fees as noted in Section 6 of Appendix 5B
- During the quarter, the final 25% of the Directors Performance Rights vested resulting in 3.5M shares being issued on 14 May 2021. All shares issued upon the vesting of Performance Rights are held in escrow for a year, and there is no cash impact upon the vesting of Performance Rights.

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

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About Paladin

Paladin Energy Limited (ASX: PDN OTCQX:PALAF) is an Australian listed uranium company focused on maximising the value of its 75% stake in the Langer Heinrich Uranium mine in Namibia.

Langer Heinrich is a globally significant, long-life operation, having already produced over 43Mlb U₃O₈ to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets. Nuclear power remains a cost-effective, low carbon option for electricity generation.



APPENDIX ONE

TENEMENT INFORMATION REQUIRED BY LISTING RULE 5.3.3

Tenement	Location	Ownership	Change in Quarter
EPM 11898	QLD, Australia	20%	
EPM 13412	QLD, Australia	20%	
EPM 13413	QLD, Australia	20%	
EPM 13682	QLD, Australia	20%	
EPM 14040	QLD, Australia	0%	Expired 21.04.2021
EPM 14233	QLD, Australia	18%	
EPM 14694	QLD, Australia	20%	
EPM 14712	QLD, Australia	20%	
EPM 14821	QLD, Australia	20%	
EPM 14935	QLD, Australia	20%	
EPM 15156	QLD, Australia	20%	
MDL 507	QLD, Australia	100%	
MDL 508	QLD, Australia	100%	
MDL 509	QLD, Australia	100%	
MDL 510	QLD, Australia	100%	
MDL 511	QLD, Australia	100%	
MDL 513	QLD, Australia	100%	
M08/86	WA, Australia	100%	
M08/87	WA, Australia	100%	
M08/88	WA, Australia	100%	
E08/1645	WA, Australia	100%	
E08/1646	WA, Australia	100%	
EL 6132	SA, Australia	7.5%	
ML 140	Namibia, Africa	75%	
ML 172	Namibia, Africa	75%	
022147M	NL, Canada	65%	5% increase 31.05.2021
024697M	NL, Canada	65%	5% increase 31.05.2021
024995M	NL, Canada	65%	5% increase 31.05.2021
025621M	NL, Canada	65%	5% increase 31.05.2021
025641M	NL, Canada	65%	5% increase 31.05.2021
025649M	NL, Canada	65%	5% increase 31.05.2021
025651M	NL, Canada	65%	5% increase 31.05.2021
025658M	NL, Canada	65%	5% increase 31.05.2021
025675M	NL, Canada	65%	5% increase 31.05.2021
025676M	NL, Canada	65%	5% increase 31.05.2021
025677M	NL, Canada	65%	5% increase 31.05.2021
025678M	NL, Canada	65%	5% increase 31.05.2021
025680M	NL, Canada	65%	5% increase 31.05.2021
025681M	NL, Canada	65%	5% increase 31.05.2021
025932M	NL, Canada	65%	5% increase 31.05.2021