



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 318435

29 August 2013

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

June 2013 Full Year Conference Call Presentation

Attached please find the presentation in relation to the year end and June quarter results conference call and investor update to be held tomorrow morning at 6.30am Perth time. Full details in relation to the call were announced on 23 August 2013.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO



PALADIN ENERGY LTD

Annual Results Conference Call and Investor Update 30 August 2013

John Borshoff – Managing Director/CEO

Alan Rule – CFO

Mark Chalmers – Executive General Manager, Production



Disclaimer and Notes for JORC and NI 43-101 Mineral Resources and Ore Reserves



This presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the “Company”) expects to occur, are forward-looking statements.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

In the following presentation, for those deposits that are reported as conforming to the Joint Ore Reserves Committee (JORC) 2004 code, the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Ore Reserves, Probable Ore Reserves and Competent Person are equivalent to the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Mineral Reserves, Proven Mineral Reserves, Probable Mineral Reserves and Qualified Person, respectively, used in Canadian National Instrument 43-101 (NI 43-101).

The technical information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Simon Solomons M.Eng, both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Messrs Princep and Solomons each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, and as Qualified Persons as defined in NI 43-101. Messrs Princep and Solomons are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Previous tonnages, grades, assays and other technical data relating to the Oobagooma deposit are taken from historical records prior to the implementation of the current NI 43-101. While the data is believed to have been acquired, processed and disclosed by persons believed to be technically competent, they were estimated prior to the implementation of NI 43-101 and are therefore regarded as historical estimates for the purposes of NI 43-101 and as an exploration target for the purposes of JORC disclosure. A Qualified Person as defined in NI 43-101 has not done sufficient work to classify the historical estimate as current Mineral Resources. The Company is not treating the historical estimates as current Mineral Resources as defined in NI 43-101 and for this reason the historical estimates should not be relied upon. At present, the Company considers that these resources have no equivalent classification under NI 43-101 and should therefore be considered as unclassified. The historical information is presented on the basis that it may be of interest to investors.

Presentation Outline



Key Achievements



Uranium Market Update



Financial Review



Project Update



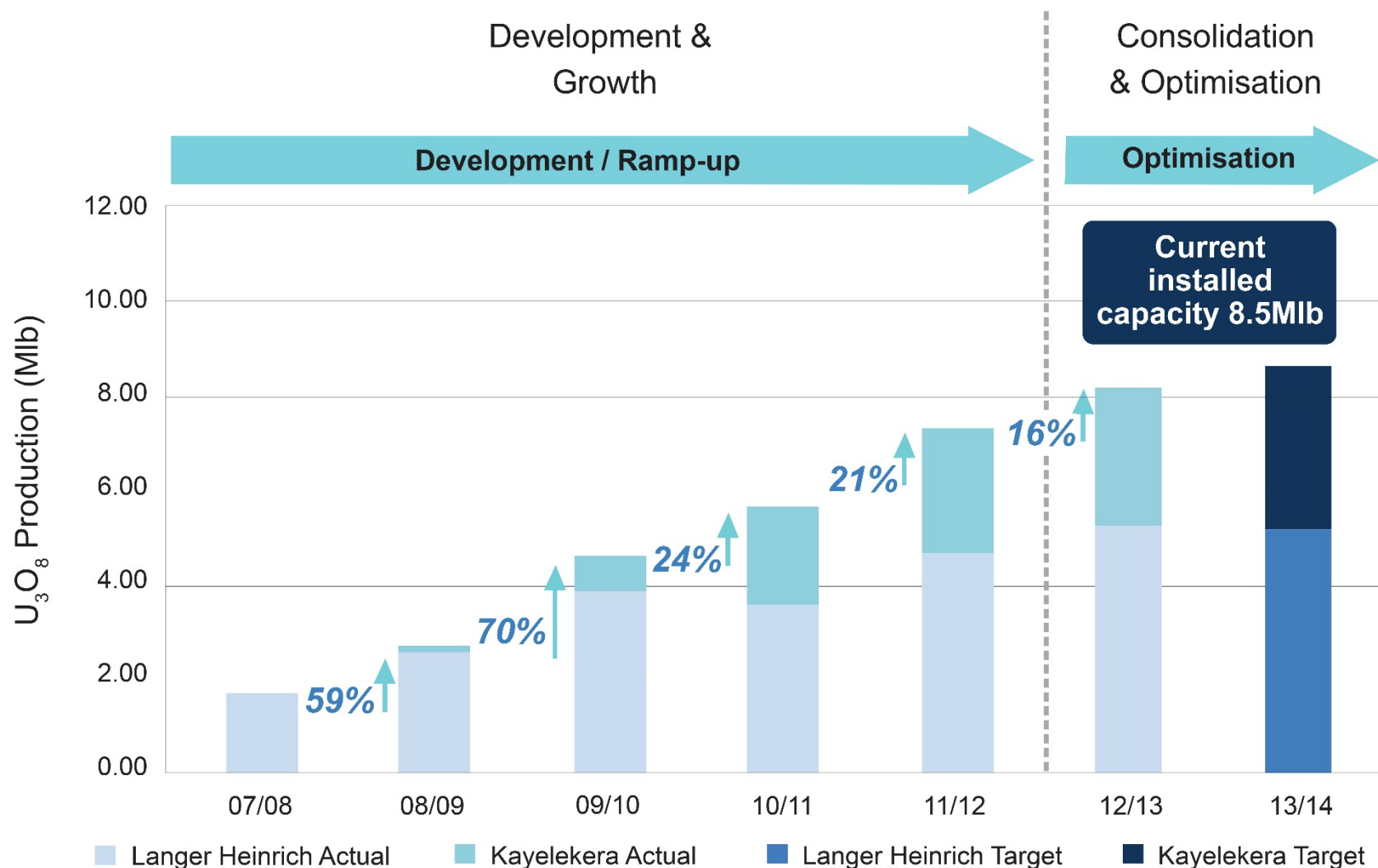
Outlook

Key Achievements For The Year



- ✦ **Secured Long-term Off-take Agreement with US\$200M pre-payment with Électricité de France**
- ✦ **Repaid a total of US\$181M in debt across the company**
 - including US\$134M outstanding on the US\$325M March 2013 Convertible Bonds
- ✦ **Record annual production of 8.255Mlb U_3O_8 , a 20% increase, well within stated guidance of 8.0 - 8.5Mlb**
- ✦ **Record annual sales of 8.253Mlb U_3O_8 , a 23% increase**
- ✦ **C1 cost of production continued to reduce**
- ✦ **Equity placement raising A\$88M**

Strong Growth – Delivered



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- ✦ Key Achievements
- ✦ Uranium Market Update
- ✦ Financial Review
- ✦ Project Update
- ✦ Outlook

Market Snapshot



Demand

- ✦ Known, key nuclear economics have reaffirmed their growth targets

Supply

- ✦ Uncertainty and delays with growth targets unlikely to be achieved
- ✦ Majority of mines unprofitable at US\$35/lb - needed developments at standstill
- ✦ Current prices do not warrant investment and cannot be financed
- ✦ Effective moratorium in place unless the critical US\$70/lb threshold is achieved
- ✦ Huge capital blow out to develop new uranium projects - need much higher uranium prices - financial traders are profiting on small arbitrages in a secondary market - uranium mining industry cannot be sustained in current circumstances

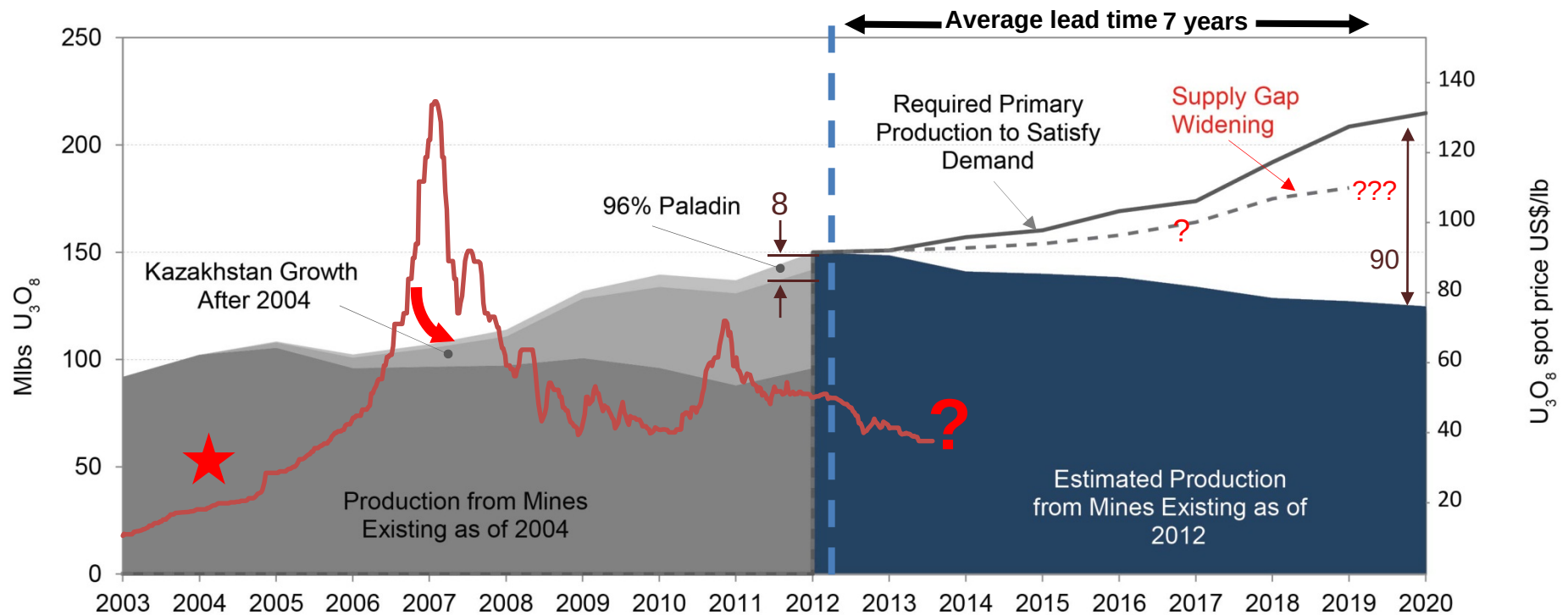
Additional restraints on supply growth will further exacerbate supply shortfall

Supply Growth Uncertainty

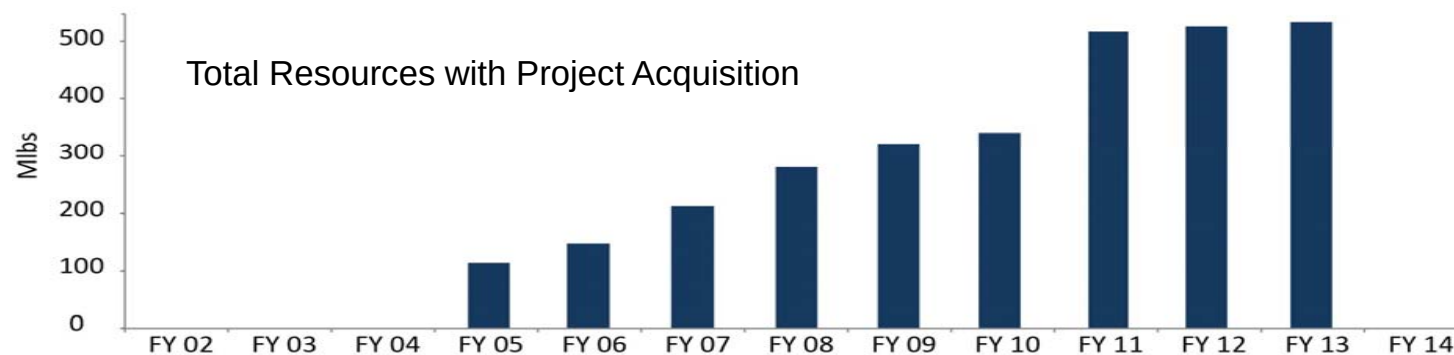
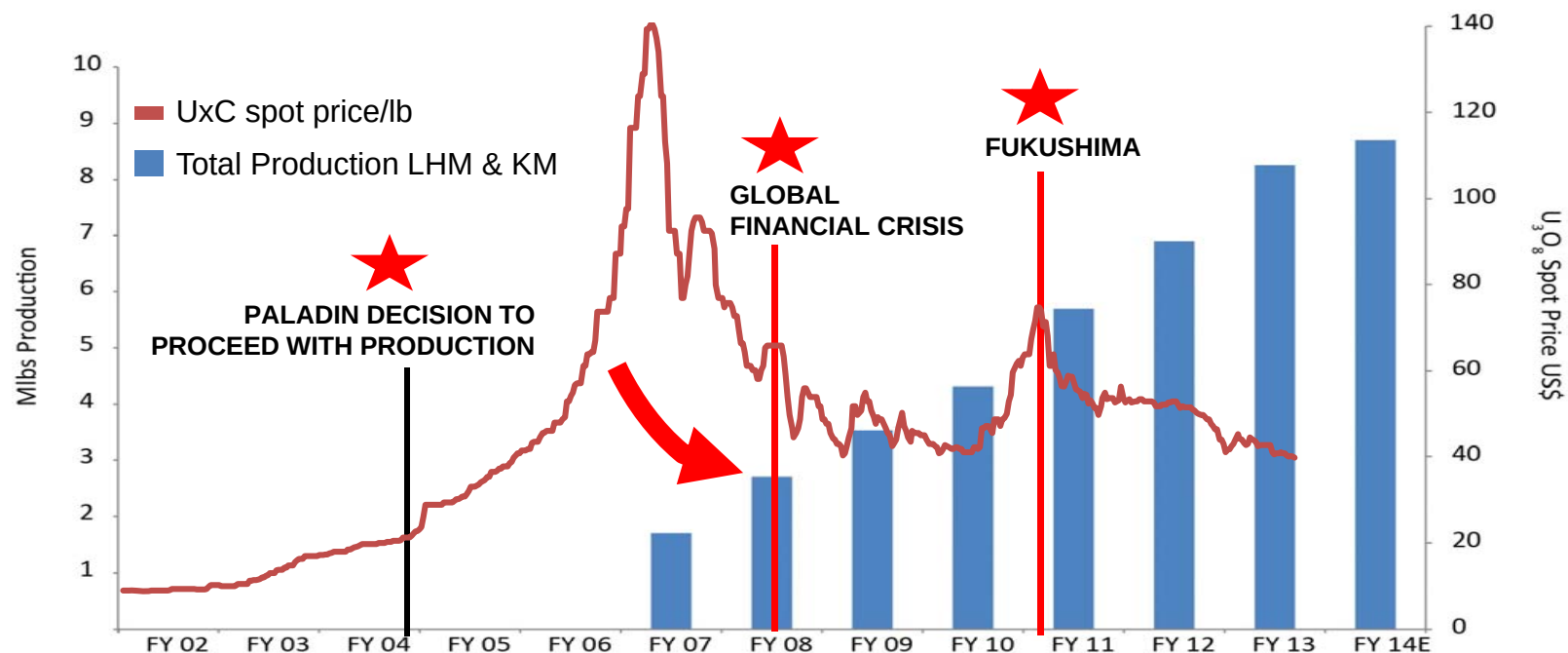
The impossible challenge:

- ✦ Primary supply will have to increase by circa 90Mlb U_3O_8 pa to meet 2020 requirements (in 6 years)
- ✦ In previous 7-year period (2005 – 2012), production increased only by 48Mlb, and Kazakhstan accounted for ~40Mlb

NO OTHER “KAZATOMPROM” OR PALADIN ON HORIZON TO REPEAT SUCH GROWTH



Uranium Price Incentivised Paladin's Development



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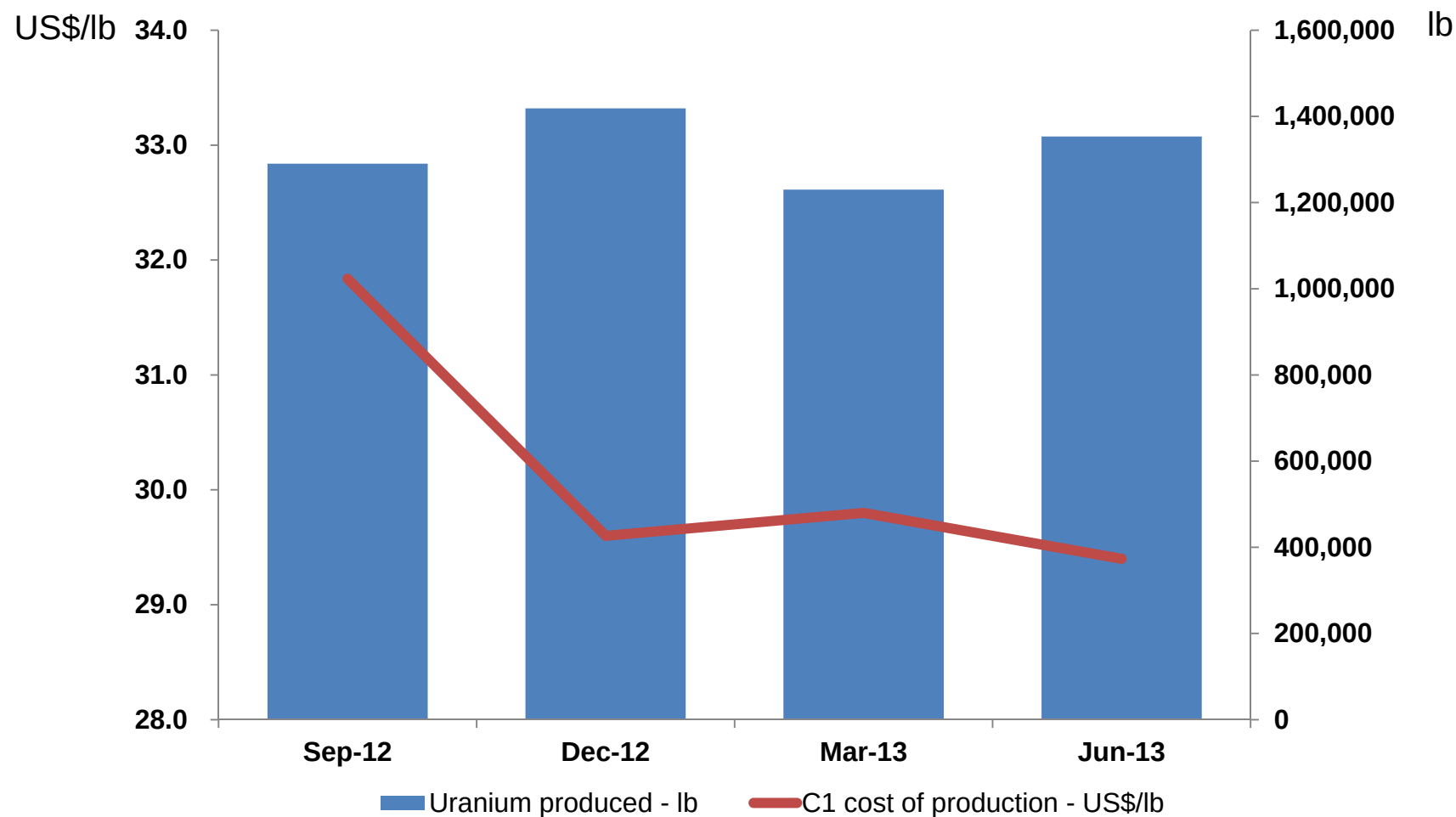
Profit & Loss

Year ended June 2013



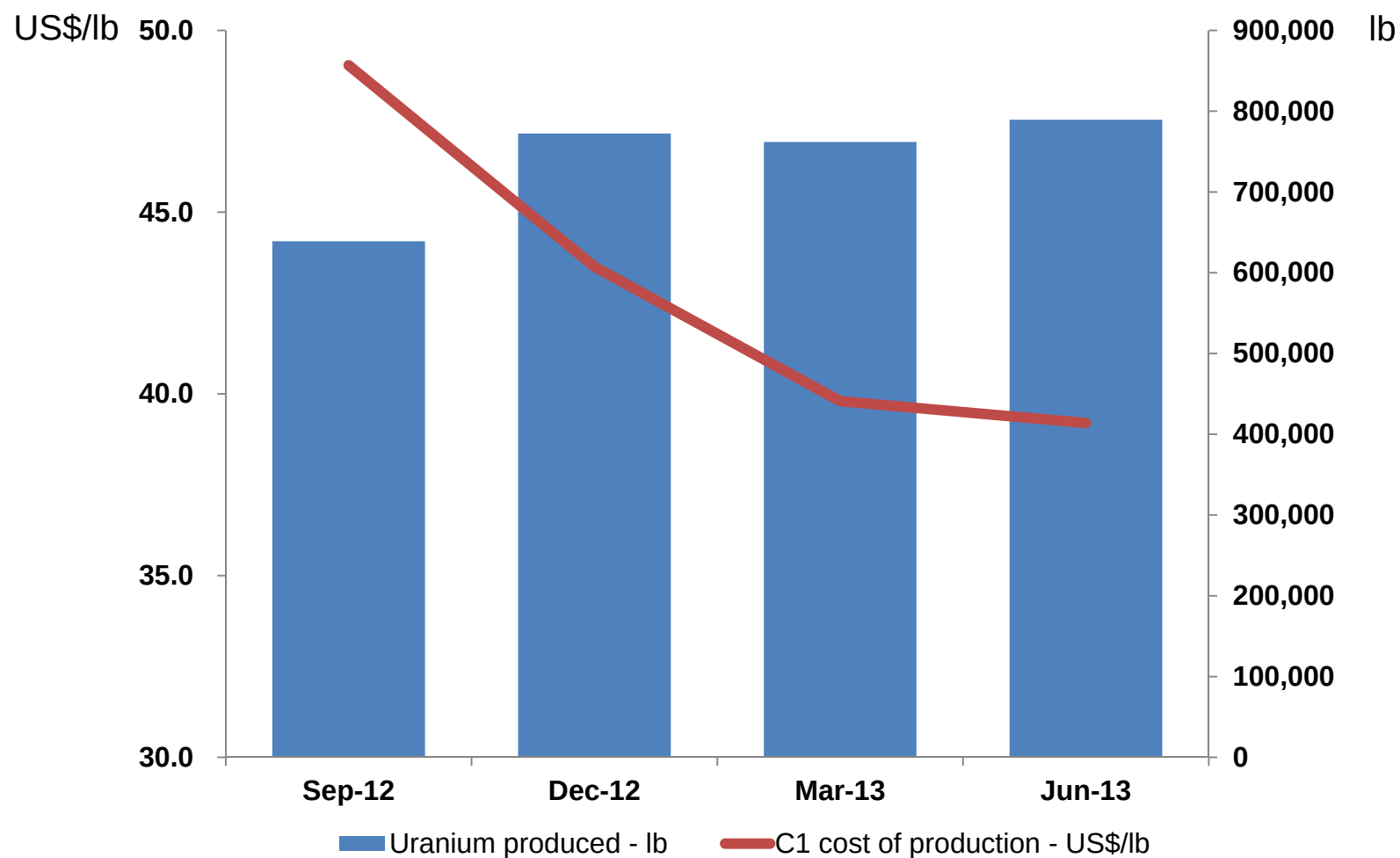
- ✦ **Revenue of US\$408.4M – up 12%**
 - 8.253Mlb sold at average realised price of US\$49.5/lb
- ✦ **Gross margin from operations of US\$55.9M (*excluding impairment*)**
 - average C1 costs for June quarter at US\$33/lb
 - KM inventory impairment of US\$30.9M
- ✦ **Site non-production costs of US\$11.5M – down 32%**
 - reflects decrease in LHM Stage 4 expansion study
 - offset by US\$1.5M expenditure on optimisation work at KM
- ✦ **Impairment costs of US\$305.0M**
 - KM asset impairment US\$237.9M
 - Niger US\$37.4M, Angela Uranium Project US\$6.8M, Bigirlyi Project US\$17.9M
- ✦ **Finance costs of US\$63.8M**
 - increase of US\$7.1M due to all interest being expensed

Langer Heinrich C1 Cost of Production



FY 2014 target US\$29/lb

Kayelekera C1 Cost of Production



Target US\$4-6/lb saving from Eskom power grid and acid recycling by June 2014 quarter

Cash Flow

Year Ended June 2013



✦ **Cash and cash equivalents of US\$78.1M**

- subsequent to year end, successfully raising A\$88M through private placement in August 2013
- impacted by June month sales of US\$60M only received in July

✦ **Cash inflow from operating activities of US\$194.5M**

- LHM & KM generated positive cash before working capital of US\$86.8M
- US\$33.9M invested in working capital
- US\$40.7M interest payments on borrowings
- US\$200.0M proceeds of long term contract with EdF

✦ **Cash outflow from investing activities of US\$46.2M**

- US\$30.6M capex including US\$14.2M for new tailings facilities at LHM and KM
- US\$16.5M investment in exploration

✦ **Cash outflow from financing activities of US\$181.5M**

- US\$134.0M repayment of 2013 CB
- US\$46.9M repayment of KM & LHM project finance loans

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Langer Heinrich Project



✦ **Production for FY2013 5.292Mlb U₃O₈ – up 20%:**

- recovery 86% versus design 85%
- feed grades 812ppm versus design 800ppm
- currently producing above design

✦ **Low quartile cost producer**

- June quarter 2013 C1 cash cost US\$29.40/lb
- long term C1 target sub US\$28/lb

✦ **Production optimisation with further unit cost reduction**

- front end, leach, CCD, and IX
- water management
- hydrosort commissioning September 2013 quarter

✦ **+20 years project life**

- further expansion potential up to 8.5Mlb pa

Design Criteria	Stage 2	Stage 3 Design	Actual FY13
Ore Throughput	2.5Mtpa	3.5Mtpa	3.54Mtpa
Leach Throughput	1.5Mtpa	2.1Mtpa	1.99Mtpa
Ore Feed Grade	850ppm	800ppm	812ppm
Recovery	82%	85%	86%
U ₃ O ₈ Production	3.7Mlbpa	5.2Mlbpa	5.3Mlb pa



Kayelekera Project



- ✦ **Production capacity of 3.3Mlb U₃O₈ pa**
- ✦ **Production for FY2013 2.963Mlb U₃O₈ – up 20%**
 - recovery 84.6% versus design 87%
 - feed grades 1,143ppm versus design 1,150ppm
 - 96% of nameplate for June 2013 quarter
 - benefits of process optimisation continue to be realised
- ✦ **C1 cost initiatives for FY13 successful and better than target**
 - June quarter 2013 C1 cash cost US\$39.20/lb
 - C1 cash cost FY14 – targeting 10%-15% reduction
- ✦ **Production optimisation with further unit cost reduction**
 - improvements in “RIP” efficiency, grid power installation, acid recycling
 - trialling continuous resin advance for further recovery and production improvements (close gap between 3.0 and 3.3Mlb pa)

Design Criteria	Design	Actual FY13
Ore Throughput	1.5Mtpa	1.3Mtpa
Ore Feed Grade	1150ppm	1143ppm
Recovery	87%	84.6%
U ₃ O ₈ Production	3.3Mlb pa	3Mlb pa
Q3/Q4 Production		90% of nameplate



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Langer Heinrich Minority Interest Sale



- ✦ **Process to sell minority interest in Langer Heinrich terminated early August**
- ✦ **All final bidding parties subsequently contacted Paladin to re-engage**
- ✦ **Paladin will recommence discussions in September with a clear objective of achieving a sale as soon as possible**
- ✦ **Value expectation to reflect both the intrinsic and high strategic value of Langer Heinrich**

Outlook



- ✦ **Combined production guidance for FY2014 of 8.3 – 8.7Mlb U₃O₈**
 - with improving performance and decreasing unit costs
- ✦ **Paladin is committed to closing a sale of a minority interest in Langer Heinrich as soon as possible**
 - key participants remain interested in world class asset
- ✦ **Full review of costs across the company, targeting reductions in:**
 - corporate costs including pay freeze for senior executives
 - exploration costs
 - discretionary capex

Focus remains to de-risk the balance sheet and place Paladin in a strong position to take advantage of the impending uranium supply shortfall and uranium price rise.

Paladin Energy Ltd

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