



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 325513

14 November 2013

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

By Electronic Lodgement

Dear Sir/Madam

30 September 2013 Quarterly Conference Call Presentation

Attached please find the presentation in relation to the quarter ended 30 September 2013 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 11 November 2013.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO



Langer Heinrich
Mining Operation



PALADIN ENERGY LTD

September Quarter Results Conference Call and Investor Update

15 November 2013

John Borshoff – Managing Director/CEO

Alan Rule – CFO

Mark Chalmers – EGM, 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

- ✦ Company Status and highlights – *John Borshoff*
- ✦ Paladin Supply/Demand Outlook – *John Borshoff*
- ✦ Financial Review – *Alan Rule*
- ✦ Operations Update – *Mark Chalmers*
- ✦ Conclusions – *John Borshoff*

Company Status and Sept Qtr Highlights



✦ **Health and safety**

- extended period of 5 star safety performance impacted by 2 fatalities
- full review of all aspects of safety within the group underway

✦ **Improving operational performance**

- mines operating at record levels
- production costs continue to trend lower
- guidance for FY14 remains 8.3Mlb to 8.7Mlb U₃O₈
- strong efficiency improvement over 2 years with significant concurrent production increase of 45% over this period

✦ **Improving financial performance**

- cost reductions implemented across the organisation
- cuts of US\$23M for FY14 including 10% salary cuts for Board and Management

✦ **Firmly re-engaged with parties in relation to sale of minority stake in Langer Heinrich**

Presentation Outline

- ✦ Company Status and Highlights – *John Borshoff*
- ✦ Paladin Supply/Demand Outlook – *John Borshoff*
- ✦ Financial Review – *Alan Rule*
- ✦ Operations Update – *Mark Chalmers*
- ✦ Conclusions – *John Borshoff*

Supply is the Real Issue Going Forward



✦ **Uranium market remains subdued**

- short term supply surplus from excess enrichment capacity and Japanese inventory reduction
- current uranium price and depressed financing environment pushing back already delayed projects
- outside Kazakhstan, Paladin provided only substantial supply growth in last 9 years
- investment has all but ceased making existing producers well positioned for pending supply shortage

✦ **Major miners effectively in a supply growth moratorium**

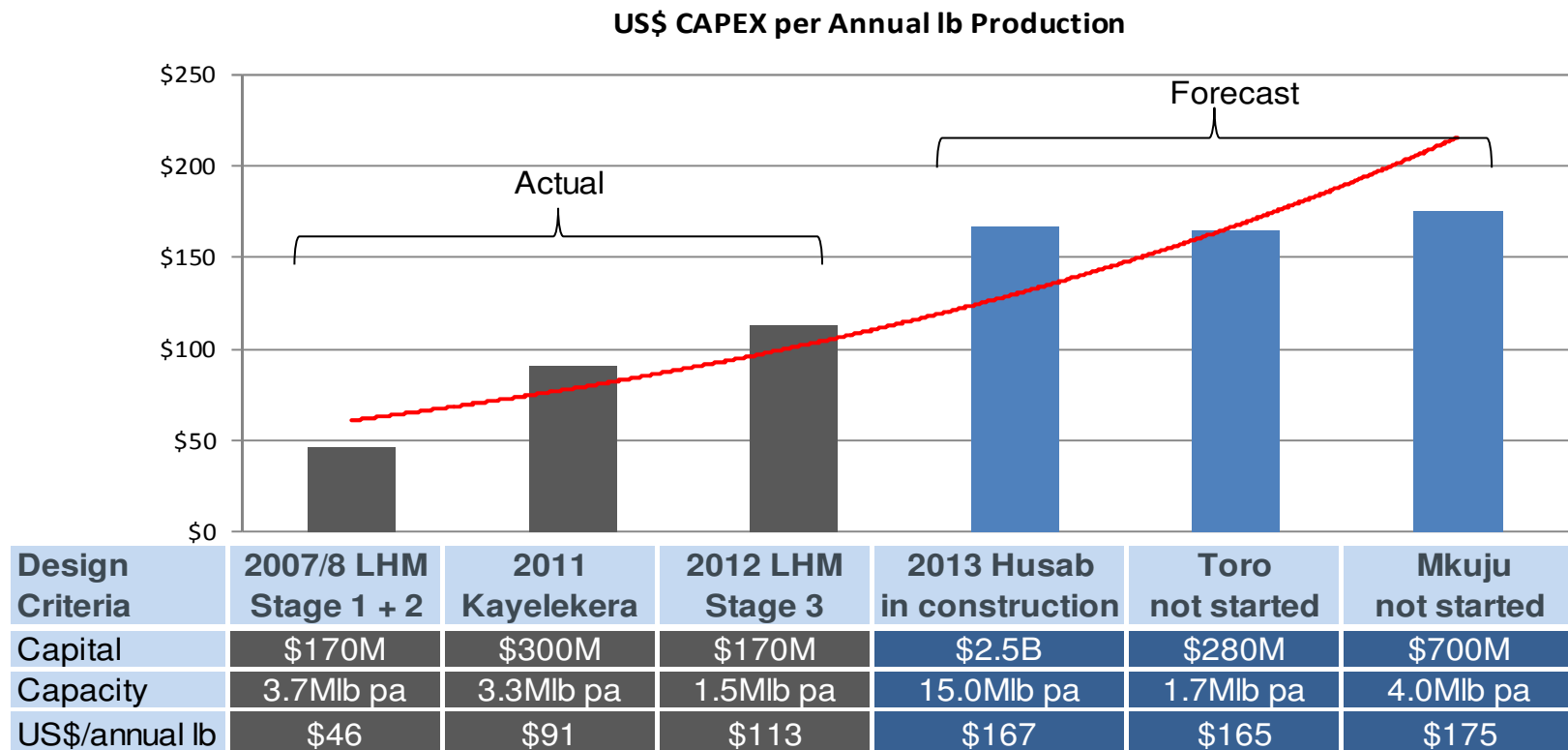
- apart from minor increase from Cameco all other majors have declared no expansion with potential for production cuts

✦ **Key drivers for price response**

- Japan reactor restart in the short term and China needs to ensure long term offtake to feed planned reactor growth
- very limited supply response capability in uranium mining industry to any positive price movement

Project Development Cost Escalation

CAPEX blowout will constrain new supply



- ✦ **CAPEX required for new uranium mine development has increased markedly in 8 years**
- ✦ **Places enormous constraint on new supply from conventional mines**
- ✦ **Increasing CAPEX will help exacerbate supply shortage**

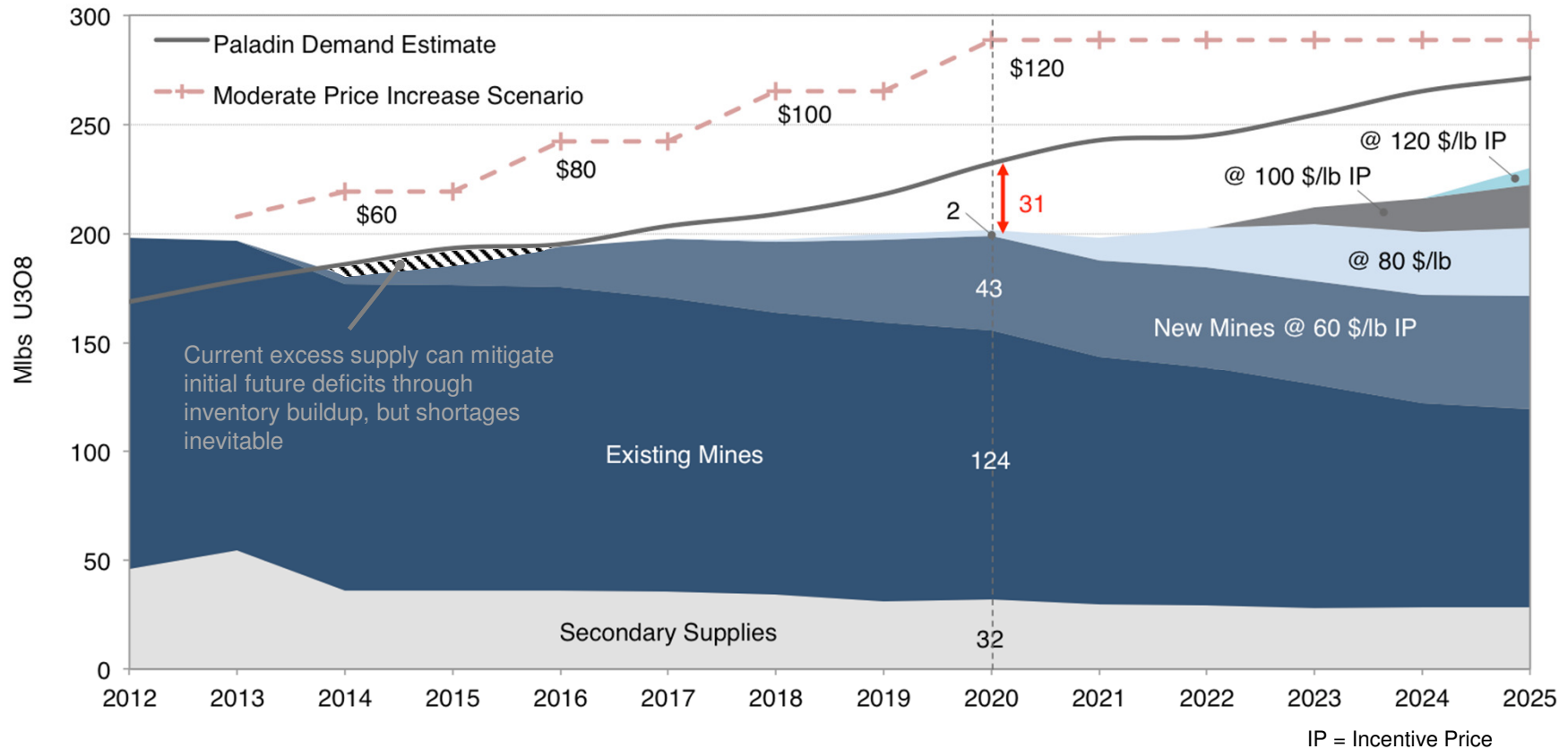
Supply Deficit Certain even with Price Escalation



Supply/demand balance

✦ Widening deficits start in 2016

- under a moderate price increase scenario, supply deficit would be equivalent to 31Mlb pa by 2020



Presentation Outline

- ✦ Company Status and Highlights – *John Borshoff*
- ✦ Paladin Supply/Demand Outlook – *John Borshoff*
- ✦ Financial Review – *Alan Rule*
- ✦ Operations Update – *Mark Chalmers*
- ✦ Conclusions – *John Borshoff*

Profit & Loss

quarter ended 30 September 2013



✦ **Sales revenue of US\$69.2M**

- 1.673Mlb sold at average realised price of US\$41.38/lb
- anticipated sales of approximately 2.6Mlb in the December quarter 2013

✦ **Gross loss of US\$14.9M**

- KM inventory impairment of US\$12.0M

✦ **Site non-production costs of US\$1.9M – down 17%**

- reflects decrease in spend at Canadian operations and completion of KM research and development

✦ **Corporate & marketing costs of US\$3.9M – down 20%**

✦ **Share based payments decreased US\$2.2M – down 137%**

✦ **Finance costs of US\$14.2M – down 16%**

- decrease in debt outstanding and decreased funding costs

Additional Cost Reductions Implemented



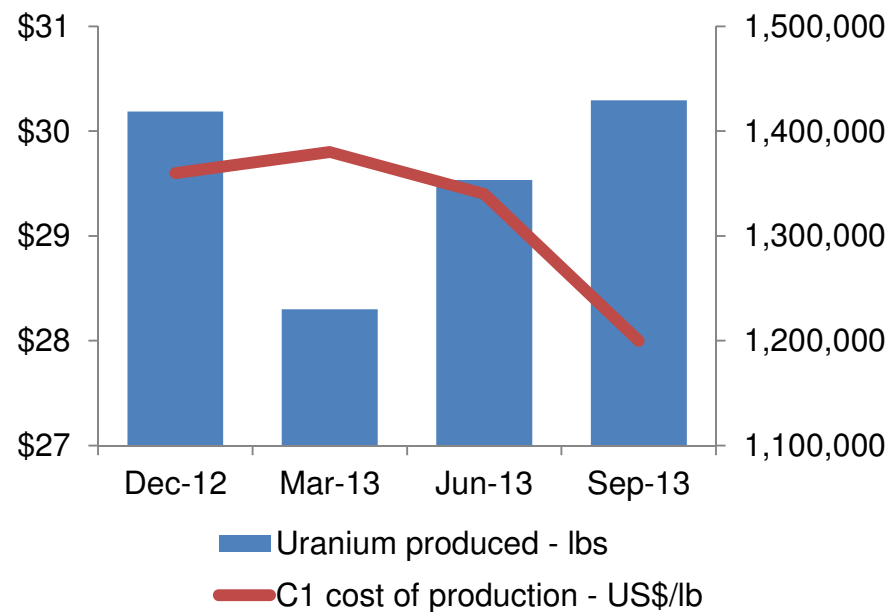
✦ Focus on corporate cost reductions

- corporate overhead and exploration costs cut by US\$10.8M, reduction of 24% over FY13
- discretionary capital expenditure reduced by US\$12.4M

✦ Significant cost reductions and production optimisation at site

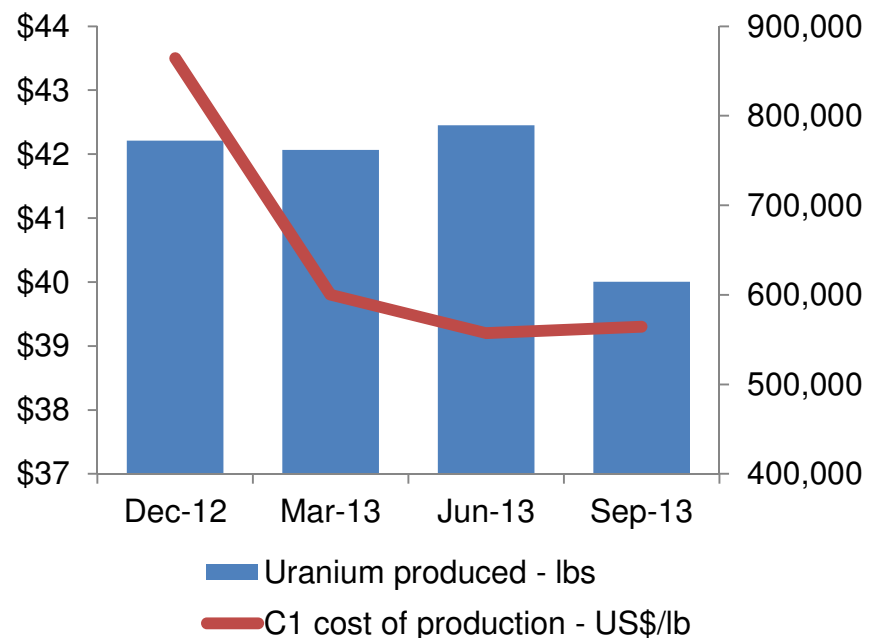
Langer Heinrich

- Sept quarter 2013 C1 cash cost US\$28.0/lb
- targeting reductions of 15% over FY14 & 15



Kayelekera

- Sept quarter 2013 C1 cash cost US\$39.30/lb
- targeting reductions of 22% over FY14 & 15



Cash Flow

quarter ended 30 September 2013



✦ **Cash and cash equivalents of US\$125.0M**

✦ **Cash inflow from operating activities of US\$3.4M**

- LHM & KM generated cash inflow before working capital of US\$1.8M
- US\$19.2M invested in working capital
- US\$1.6M interest payments on borrowings

✦ **Cash outflow from investing activities of US\$13.0M**

- US\$11.7M capex including for new LHM tailings facilities and nano filtration at KM
- US\$1.7M investment in exploration

✦ **Cash inflow from financing activities of US\$56.3M**

- US\$78.2M net proceeds received from share placement completed in August
- US\$21.9M repayment of KM & LHM project finance loans

Presentation Outline

- ✦ Company Status and Highlights – *John Borshoff*
- ✦ Paladin Supply/Demand Outlook – *John Borshoff*
- ✦ Financial Review – *Alan Rule*
- ✦ Operations Update – *Mark Chalmers*
- ✦ Conclusions – *John Borshoff*

September Quarterly Highlights



Production

- ✦ **Combined production of 2.044Mlb**

LHM

- ✦ **Production of 1.43Mlb above budget**
- ✦ **Record recovery of 88.7%**
- ✦ **Ability for de-risked production expansion**

KM

- ✦ **Production of 0.615Mlb (9% below budget)**
- ✦ **Lower production due to annual maintenance shutdown**
- ✦ **Sustainable production and recovery achievements**

Continuous Improvement

- ✦ **KM – Acid recycling commissioning/grid power by March 2014**
- ✦ **LHM – Hydrosort commissioning**

Langer Heinrich Project Update



✦ Three successful production capacity expansions completed

- 5.2Mlb with Stage 3 starting mid 2012
- currently producing above budget
- Sept quarter >5.7Mlb pa rate

✦ Low quartile cost producer

- long term C1 target sub US\$28/lb
- C1 cost reduction FY14 – targeting 7.5%

✦ Production optimisation with further unit cost reduction

- CCD performance / leach temperature management/improved beneficiation
- heat recovery/management

✦ +20 years project life

- further expansion potential up to 8.5Mlb pa

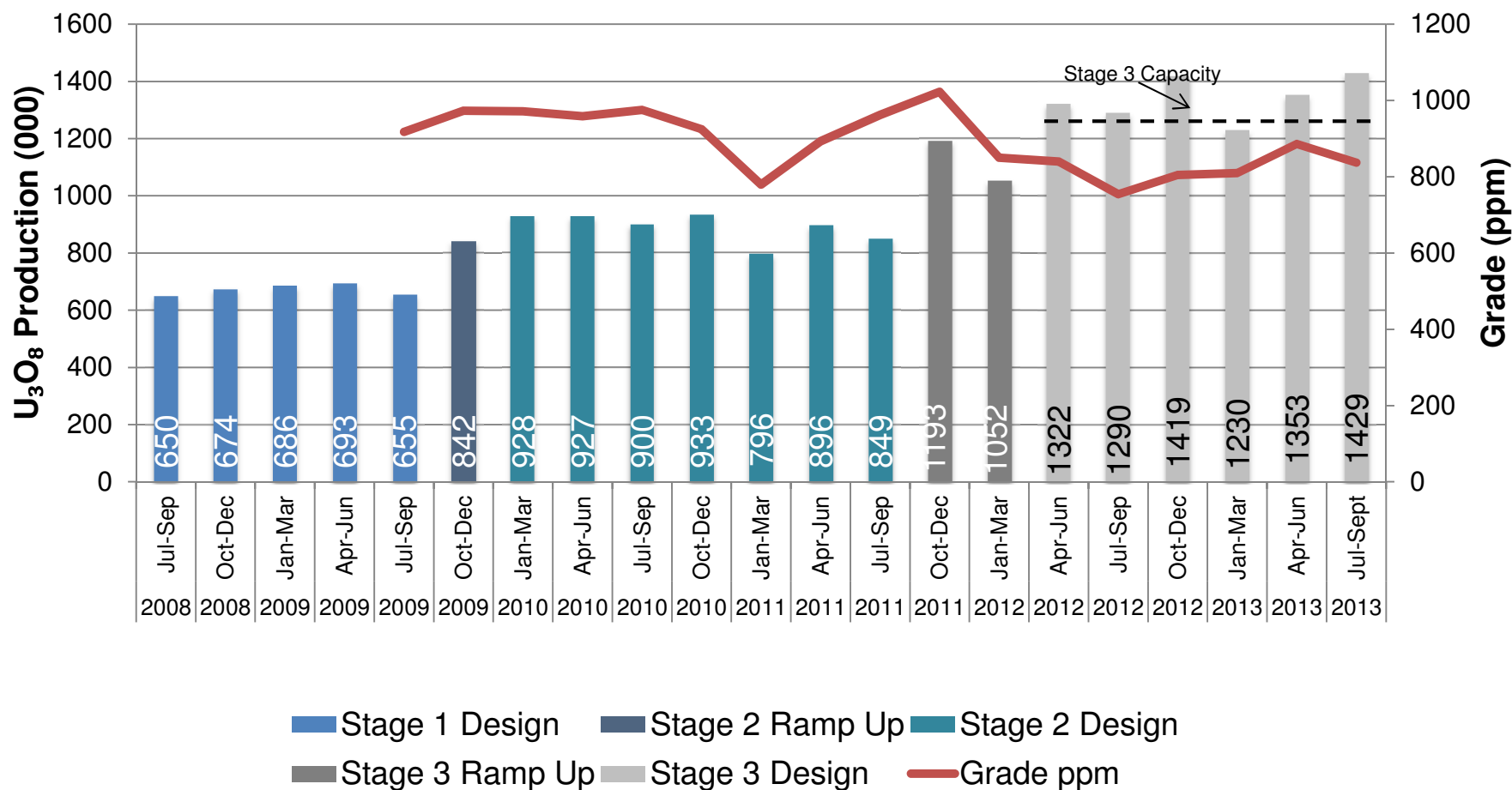
	Actual FY13	Budget FY14	Actual Sept'13 qtr
Ore processed	3.54Mt	3.65Mt	0.87Mt
Ore feed grade	812ppm	753ppm	840ppm
Recovery	86%	90%	88.7%
U ₃ O ₈ production	5.30Mlb	5.45Mlb	1.43Mlb



Langer Heinrich Quarterly Production



LHM Quarterly Production & Feed Grade



Kayelekera Project Update

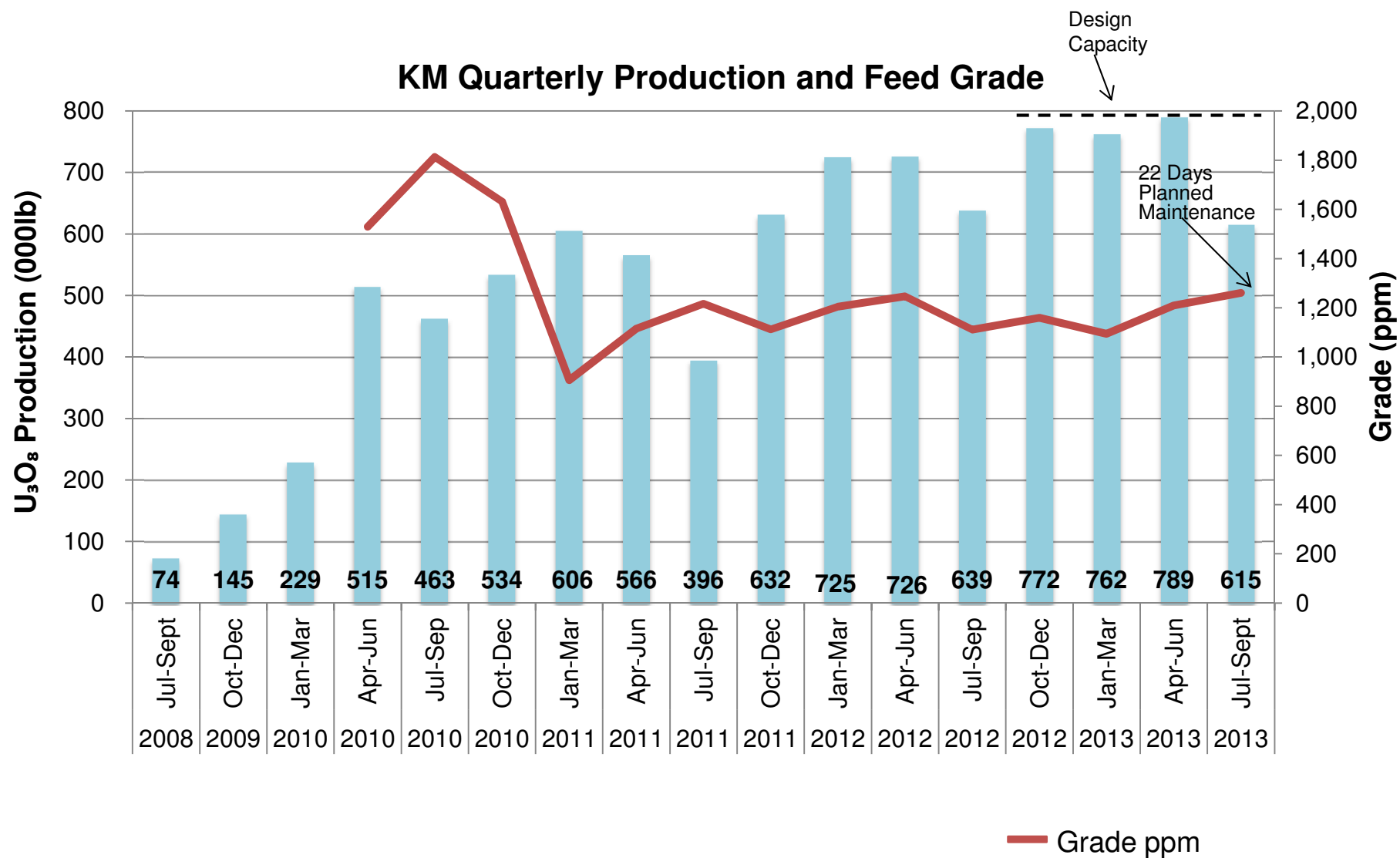


- ✦ **Production capacity of 3.3Mlb U₃O₈ pa**
 - operating at design post August planned shut
- ✦ **First modern resin-in-pulp (RIP) uranium processing facility**
- ✦ **C1 cost initiatives for FY13 successful and better than target**
 - C1 cost reduction FY13 – achieved 24%
 - C1 cost reduction FY14 – targeting 17%
- ✦ **Production optimisation with further unit cost reduction**
 - improvements in “RIP” efficiency/grid power installation/acid recycling.
 - trialling continuous resin advance for further recovery improvement

	Actual FY13	Budget FY14	Actual Sept'13 qtr
Ore processed	1.3Mt	1.4Mt	0.27Mt
Ore feed grade	1,143ppm	1,194ppm	1,264ppm
Recovery	84.6%	87.0%	85.1%
U ₃ O ₈ production	3.0Mlb	3.2Mlb	0.62Mlb



Kayelekera Quarterly Production



Presentation Outline

- ✦ Company Status and Highlights – *John Borshoff*
- ✦ Paladin Supply/Demand Outlook – *John Borshoff*
- ✦ Financial Review – *Alan Rule*
- ✦ Operations Update – *Mark Chalmers*
- ✦ Conclusions – *John Borshoff*

What Paladin Brings to the Nuclear Industry Table



- ✦ **Demonstrated achievement building 2 uranium mines in 8 years**
- ✦ **De-risked operational performance at Langer Heinrich and Kayelekera**
- ✦ **Proven management and technical capability**
- ✦ **Langer Heinrich is a world class flagship project with 20+ years production**
- ✦ **Clear vision for 2014-2022 to replicate and even better the outstanding 2005-2013 production growth performance**
- ✦ **Paladin provides a unique leveraged growth platform for a strategic partner**

Re-engagement for a stake in Langer Heinrich

Negotiations restarted to sell a minority stake in Langer Heinrich

- initial process to sell minority interest in Langer Heinrich terminated early August
- rejuvenated engagement with a prominent group of nuclear industry players
- value expectations reflect both the intrinsic and strategic value of Langer Heinrich with an improving production performance and long mine life
- Paladin's board and management remain focused on achieving a suitable outcome on a minority interest in Langer Heinrich at the earliest opportunity

Paladin is also committed to rationalisation of its asset base by pursuing potential joint ventures for its undeveloped advanced stage assets via a strategic alliance

Outlook



- ✦ **Production optimisation ongoing in tough market environment**
- ✦ **Cost reduction programmes continuing to identify further savings**
- ✦ **Sale process for a minority interest in Langer Heinrich progressing well**
- ✦ **Paladin's wider strategic value being recognised**
- ✦ **Fundamental uranium market supply constraints gaining wider acknowledgement and acceptance and short to mid term supply shortage a reality**
- ✦ **Strong leverage to an expected increase in the uranium price with spot currently trading at 8 year lows**

Paladin Energy Ltd

Contact Details



Head Office

Level 4, 502 Hay Street
Subiaco Western Australia 6008
PO Box 201, Subiaco
Western Australia 6904

Telephone: +61 (0) 8 9381 4366

Facsimile: +61 (0) 8 9381 4978

Email: paladin@paladinenergy.com.au

Website: www.paladinenergy.com.au

Investor Relations Team

Andrew Mirco
+61 (0) 8 9381 4366

North America:

Greg Taylor
+1 (905) 337 7673