



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 326008

21 November 2013

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

By Electronic Lodgement

Dear Sir/Madam

Annual General Meeting Presentation and Chairman's Address

Attached please find the presentation in relation to the Annual General Meeting to be held today, together with the Chairman's Address.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO



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CHAIRMAN'S ADDRESS AT 2013 ANNUAL GENERAL MEETING

Operationally the past financial year has been a watershed for Paladin. Both the Langer Heinrich and Kayelekera mines delivered record production with the result that the combined 8.255Mlb U₃O₈ annual production was well within the stated guidance. As announced last week, the first quarter of the current financial year has also seen impressive production numbers.

Safety performance at both operations during the financial year was to the high standard expected and in fact better than the Australian average standard. However, subsequent to year end a fatality at Kayelekera and then at Langer Heinrich was a sad reminder that safety cannot be taken for granted. A full review of all aspects of safety within the Group is now underway to better ensure that a culture of "zero harm" is ingrained.

It is a frustrating irony for Paladin's employees and shareholders that, following some seven years of continuous building, expansion, upgrade and modification at both operations, this impressive operational platform should be reached when the spot price for uranium is at an eight year low. As a consequence, the return to the Governments of Namibia and Malawi through royalties and taxes has also diminished. However, although our product marketing team has worked hard to achieve the best prices possible, the uranium price is totally beyond Paladin's control.

As detailed further in the Annual Report, the Board and management of Paladin feel confident that a strong future exists for the uranium industry and, for that reason, we continue to support the existing operations. The Langer Heinrich mine is clearly a world class, long life, lower quartile cost mine with a bright future. Unfortunately the Kayelekera mine due to the nature and location of the ore body, is a higher cost operation although significant improvement in cash operating costs has been achieved.

The important long-term off-take contract with Électricité de France in August 2012 which delivered a US\$200M prepayment to Paladin represented a key component of Paladin's strategic initiatives aimed at improving the Company's balance sheet. The other component involves a potential sale of a minority interest in the Langer Heinrich mine. The sharp decline in the uranium price during the latter part of this sale process had the consequence that the Paladin Board decided to terminate the process after the preferred bidder advised on 1 August 2013 that it wanted to renegotiate the terms, including price, at the final stage of the process. The Board determined it would not be in the best interests of shareholders to continue those particular negotiations.

Having regard to the delay in a potential Langer Heinrich transaction and the continuing weak uranium price the Board took the prudent approach to make a placement of shares to stabilise its cash position well into 2014. It is true that this placement was made at a discount greater than we would have preferred. The Board did consider undertaking a share purchase plan for the benefit of retail shareholders but unfortunately the share price traded down well below the 70 cents placement price making such a plan unattractive for such shareholders.

The Paladin Board has kept the door open for the sale of a minority interest in Langer Heinrich and a rejuvenated sale process is continuing, with a number of interested nuclear industry participants. It is important for shareholders to understand that the underlying value of Langer Heinrich, being a high quality long life mine, is based not on today's spot price but on an anticipated long term outlook for the uranium price in the light of forecast supply restraints.

In addition to the work on reducing production costs, the Company has moved to reduce costs throughout the organisation such as significantly deferring exploration and, unfortunately, making

redundant a number of our staff. Regardless, our intention remains to retain our core capability in anticipation of improvement in the uranium price. Your Board is fully committed to getting value back into the Company, which we consider to be in a sound operational and strategic position to take advantage of the anticipated improvement in the uranium price.

On behalf of the Board, I wish to thank all staff for remaining loyal and dedicated to the Company during these difficult economic times. As announced on Tuesday this week, the Company has agreed with Mr John Borshoff for him to continue as Managing Director and Chief Executive Officer until 31 December 2014 with the option for the parties to agree (having regard to agreed performance objectives) an extension for a further one or two years. The Board recognises the importance of Mr Borshoff's contribution to the strategic negotiations concerning the Langer Heinrich minority interest sale and debt reduction.

Despite what I feel has been speculative and sensationalised media reporting, it is encouraging to see that there has in fact been overwhelming shareholder support for all resolutions to be put at today's Annual General Meeting. On behalf of the Board I thank shareholders for their support and I sincerely hope that the future will offer due reward for all employees, shareholders and supporting communities.

RICK CRABB
Chairman



Langer Heinrich
Mining Operation



PALADIN ENERGY LTD

Annual General Meeting

21 November 2013

John Borshoff – Managing Director/CEO



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
- ✦ Paladin Supply/Demand Outlook
- ✦ Operations Update
- ✦ Outlook

Paladin – A Modern Uranium Company



✦ **Uranium specialist with demonstrated achievements**

- employs 1800 staff and contractors
- among top ten producers in the world
- head office in Perth

✦ **Mining**

- installed production capacity of 8.5Mlb U₃O₈ pa
- operations in two climatic regions (arid zone and monsoonal)

✦ **Further expansion potential of existing production centres with sufficient uranium price incentive**

✦ **Diversified global project pipeline for future development**

✦ **Proven builder/operator**

- extensive uranium expertise in the group (technical, environmental, health, social)
- only company in the world to have successfully developed two greenfield conventional mines in past 20 years
- developed, implemented and de-risked innovative technologies for both mines
- optimisation programme has been successful in reducing operating costs materially

Company Status and 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
- a second round of cuts in Oct 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**

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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 looming 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

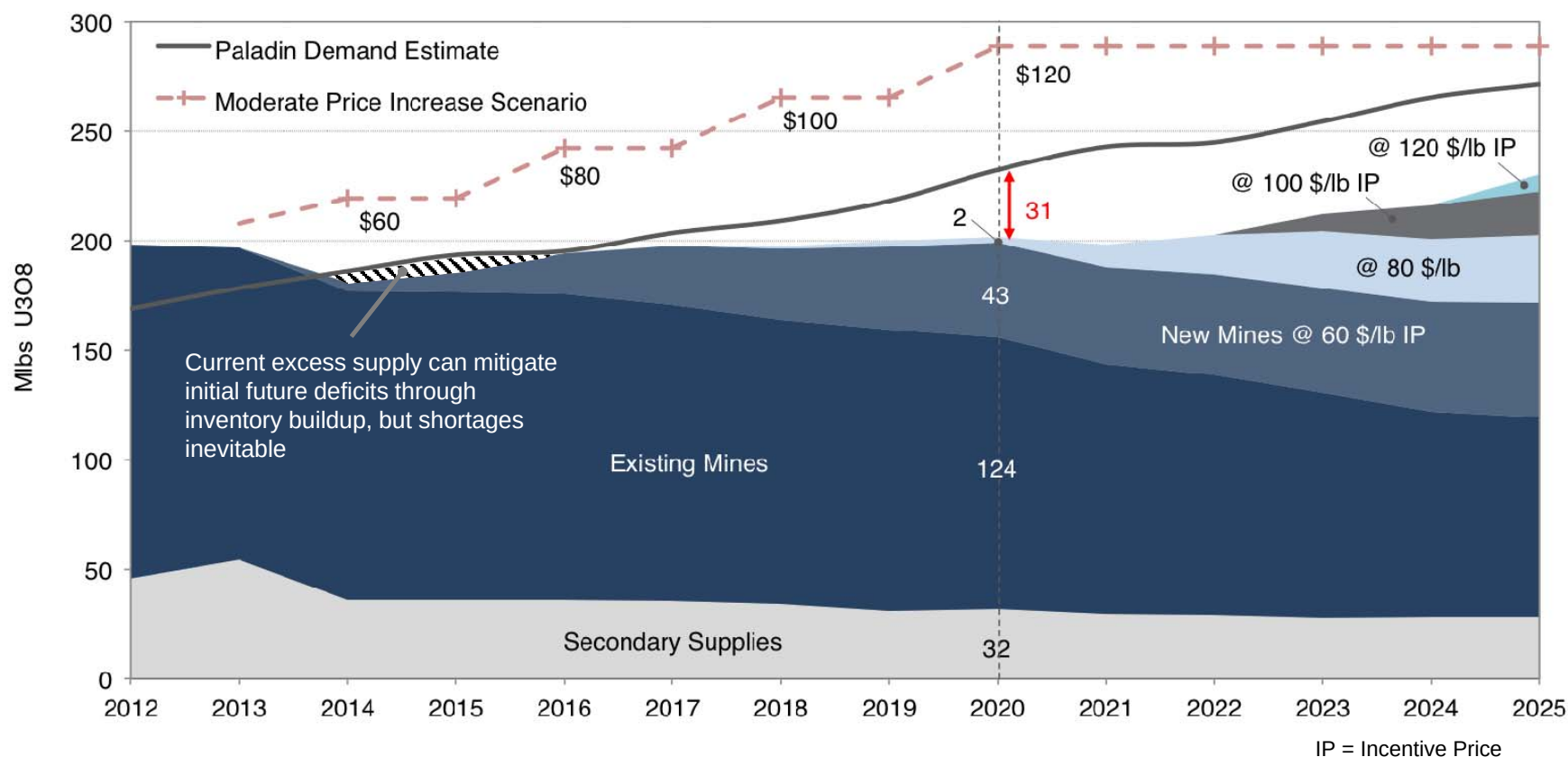
Supply Deficit Certain even with Price Escalation



Supply/demand balance

✦ Widening deficits start in 2016

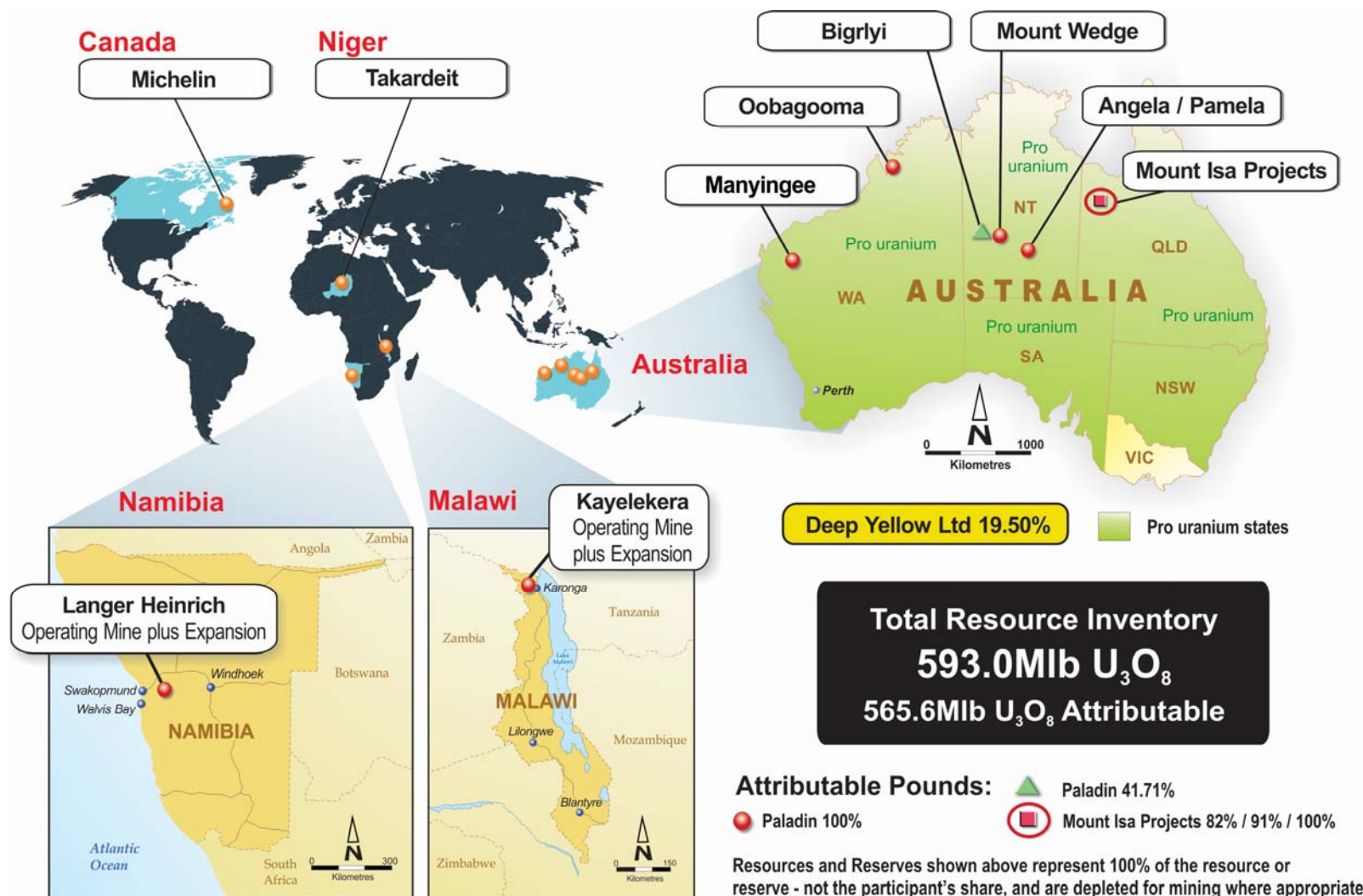
- under a moderate price increase scenario, supply deficit would be equivalent to 31Mlb pa by 2020



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Globally Diverse Project Pipeline



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 cash cost reduction targeting 15% for FY14 & FY15

✦ 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

✦ Water

- agreement to be signed with NamWater for supply of water from Areva desalination plant
- removes risk of water constraints

	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



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 & FY15 – targeting 22%
- ✦ **Production optimisation with further unit cost reduction**
 - improvements in “RIP” efficiency/grid power installation/acid recycling.
 - trialling continuous resin advance for further recovery improvement

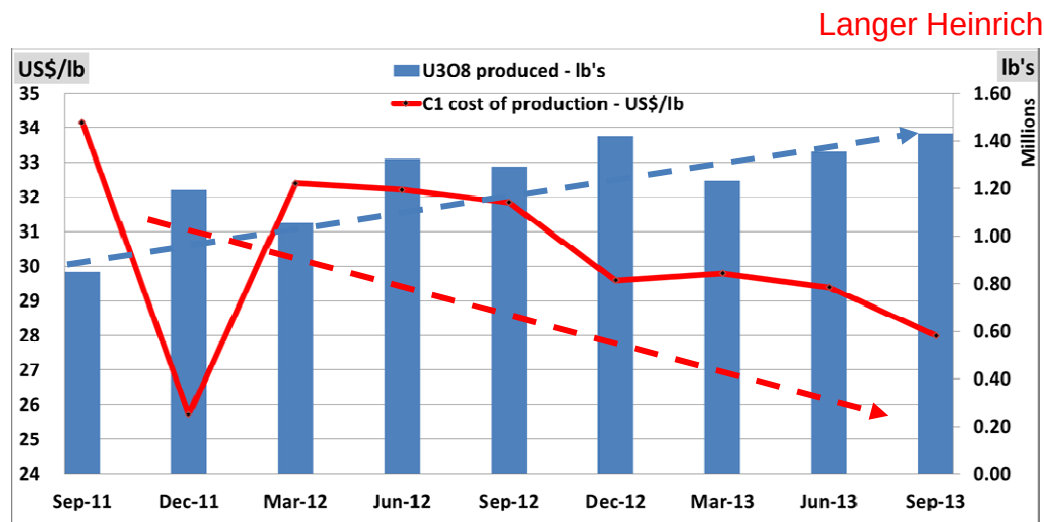
	Actual FY13	Budget FY14	Actual Sept'13 qtr
Ore processed	1.3Mt	1.4Mt	0.27Mt
Ore feed grade	1,143ppm	1,194ppm	1,264ppm
Recovery	84.6%	87.0%	85.1%
U ₃ O ₈ production	3.0Mlb	3.2Mlb	0.62Mlb



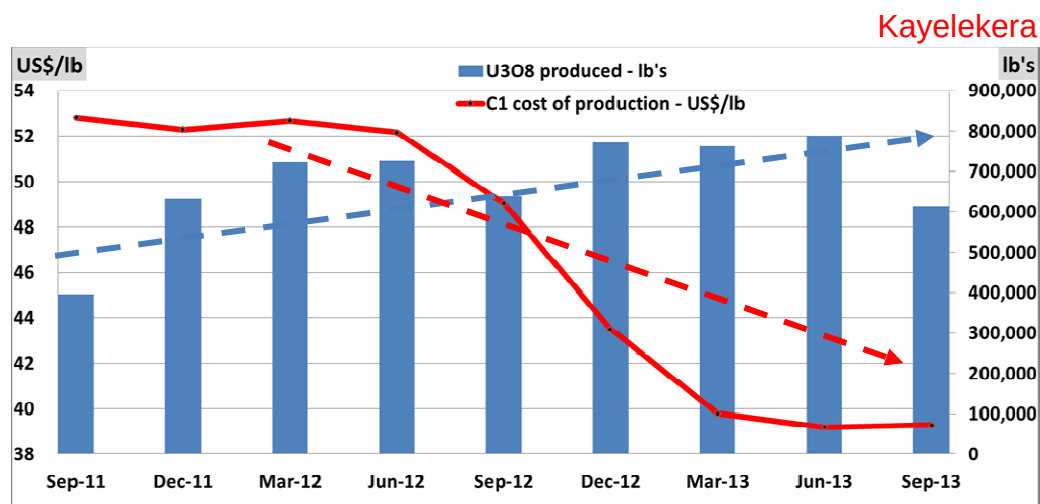
Production and C1 cash costs for last 2 years

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



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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**

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**

Over the last 2 years the following has taken place



- ✦ **Raised US\$200M in Uranium offtake prepayment**
- ✦ **Paid out the 2013 convertible bonds US\$325M**
- ✦ **Reduced cash costs by \$80M-\$100M in FY2013 and FY2014**
- ✦ **Reducing head office staff by 35%**
- ✦ **People forget we are one of only a small handful of companies to successfully build 2 uranium mines in the last 8 years**
- ✦ **Langer Heinrich production grown 51% in 2013 from 3.5Mlb in 2011**
- ✦ **Langer Heinrich Stage 3 built and successfully commissioned in 2012**
- ✦ **Kayelekera production has grown 37% in 2013 from 2.17Mlb in 2011**
- ✦ **C1 cash costs at Kayelekera have fallen by 25% to US\$39/lb since June 2012**