



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 383516

14 May 2015

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

By Electronic Lodgement

Dear Sir/Madam

March Quarter 2015 Conference Call and Investor Update Presentation

Attached please find the presentation in relation to the 31 March 2015 quarterly report 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 May 2015.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO



PALADIN ENERGY LTD

March Quarter Results Conference Call and Investor Update

15 May 2015

John Borshoff – Managing Director/CEO

Craig Barnes – Chief Financial Officer

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. Readers should not place undue reliance on forward-looking information. 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 or 2012 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 B.E., 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 2012 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 and Update
- ✦ Uranium Market Update
- ✦ Financial Review
- ✦ Project Update
- ✦ Outlook

Paladin Has Weathered the Storm



Post the Fukushima event, the uranium mining industry has suffered uncertainty and under-investment. This has negatively redefined the uranium supply base affecting all producers and their positioning for the future.

Paladin successfully weathered this storm and has:

- ✦ **Deleveraged its balance sheet and introduced high value investor groups**
- ✦ **Expanded and enhanced its world class asset pipeline**
- ✦ **Retained key personnel and core competency with technical capabilities to develop the next generation of uranium mines**
- ✦ **Developed new innovative processing systems and associated intellectual property**
- ✦ **Positioned the Paladin platform for the future with increased strategic appeal and value**



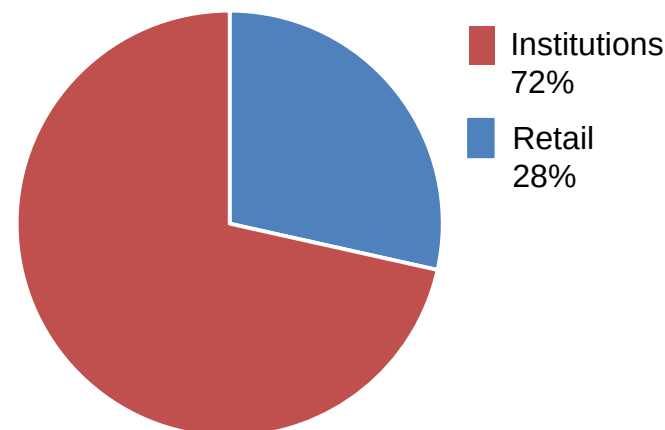
- ✦ **Deleveraging of the balance sheet complete**
 - US\$300M convertible bond to be completely repaid and cancelled 18 May
- ✦ **Bicarbonate Recovery Project (BRP) successfully commissioned – strong operational results to follow**
 - the success of this project will have far reaching implications for Langer
- ✦ **Kayelekera remains on care and maintenance until price benchmark met**
 - restart feasibility ongoing targeting mid year completion
 - post quarter controlled release of treated water successfully commenced
- ✦ **Focus continues for delivery of value through a strategic alliance**
- ✦ **Significant improvement in safety performance as a result of new initiatives and improvements**

Building a Strong Shareholder Base

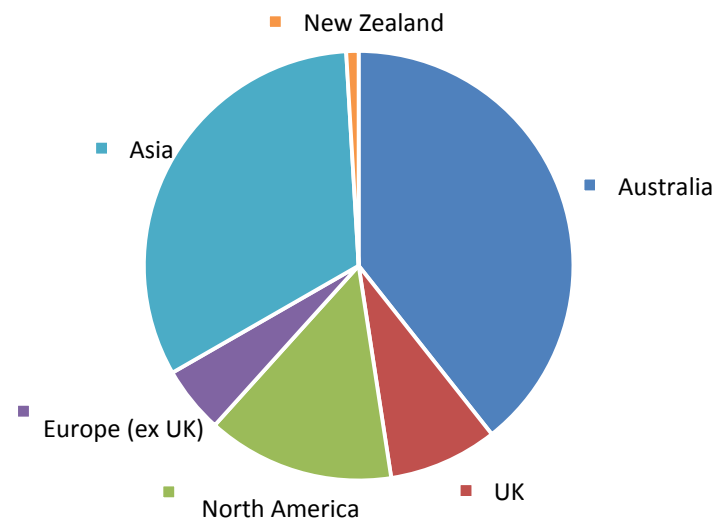


- ✦ **Shares on issue 1.67bn**
- ✦ **Market cap A\$0.38 ASX A\$633M:US\$503M**
- ✦ **Paladin's institutional holders increased significantly since mid 2014 (from 25%-72%)**
- ✦ **Top 3 shareholders**
 - HOPU 14.99%
 - GIC 7.49%
 - Fidelity 6.03%
- ✦ **Top 20 shareholders 51.5%**
- ✦ **CIC holding \$50M of 2020 CB**
- ✦ **Excellent geographic spread of investors representing global appeal**

Shareholding



Geographic Distribution



Paladin has attracted large long only funds reflecting the high strategic value of the Company and optimism for the uranium market outlook

Presentation Outline

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



- ✦ **Restart of Sendai 1 & 2 probable for September quarter timeframe**
 - Japan declares 20%-22% nuclear contribution by 2030
 - 5-6 reactors operating by end 2015
- ✦ **China has reinitiated reactor approval process post-Fukushima**
- ✦ **India commenced pursuing additional uranium supplies in global market**
- ✦ **Term contracting activity increasing in both US and Western Europe**
 - will test shortfalls in 2017-2024 period
- ✦ **US Secretary of Energy reduces annual sales volume from USDOE inventory**
- ✦ **2014 global uranium production 145Mlb down by 9Mlb (6%)**
 - rationalisation due to low uranium price
 - further reductions likely

Uranium Market Snapshot

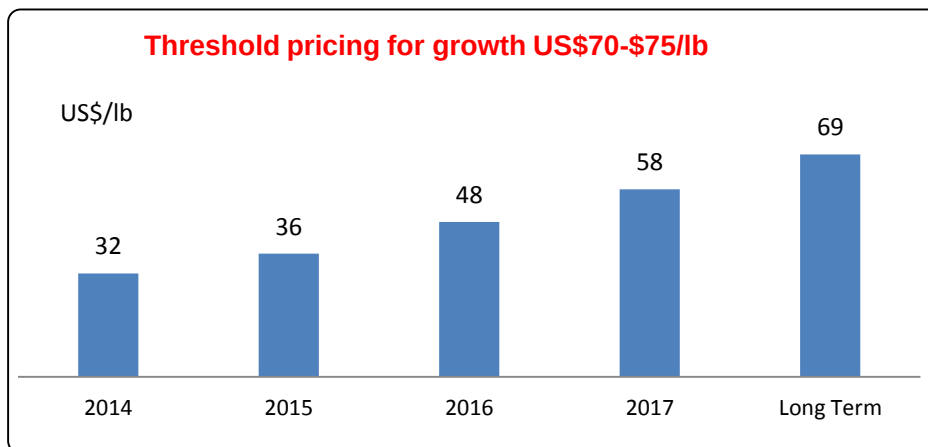


	Current Nuclear Capacity	Under Construction	Planned	Proposed
Reactors / (Capacity)	437 (380.8GWe)	65 (67.8GWe)	165 (185.9GWe)	316 (363.6GWe)
China & India	47 (28.4GWe)	29 (29.5GWe)	67 (73.5GWe)	162 (190GWe)

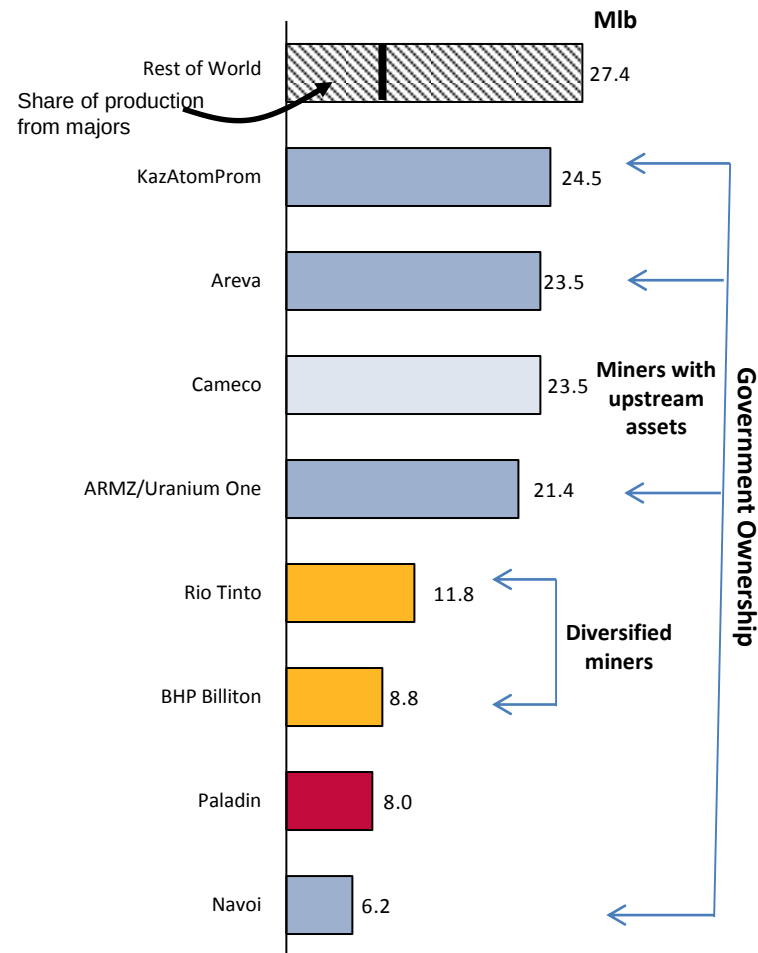
Source: World Nuclear Association (April 2015)

Broker Consensus Price Projections

(no price incentive exists for new developments)

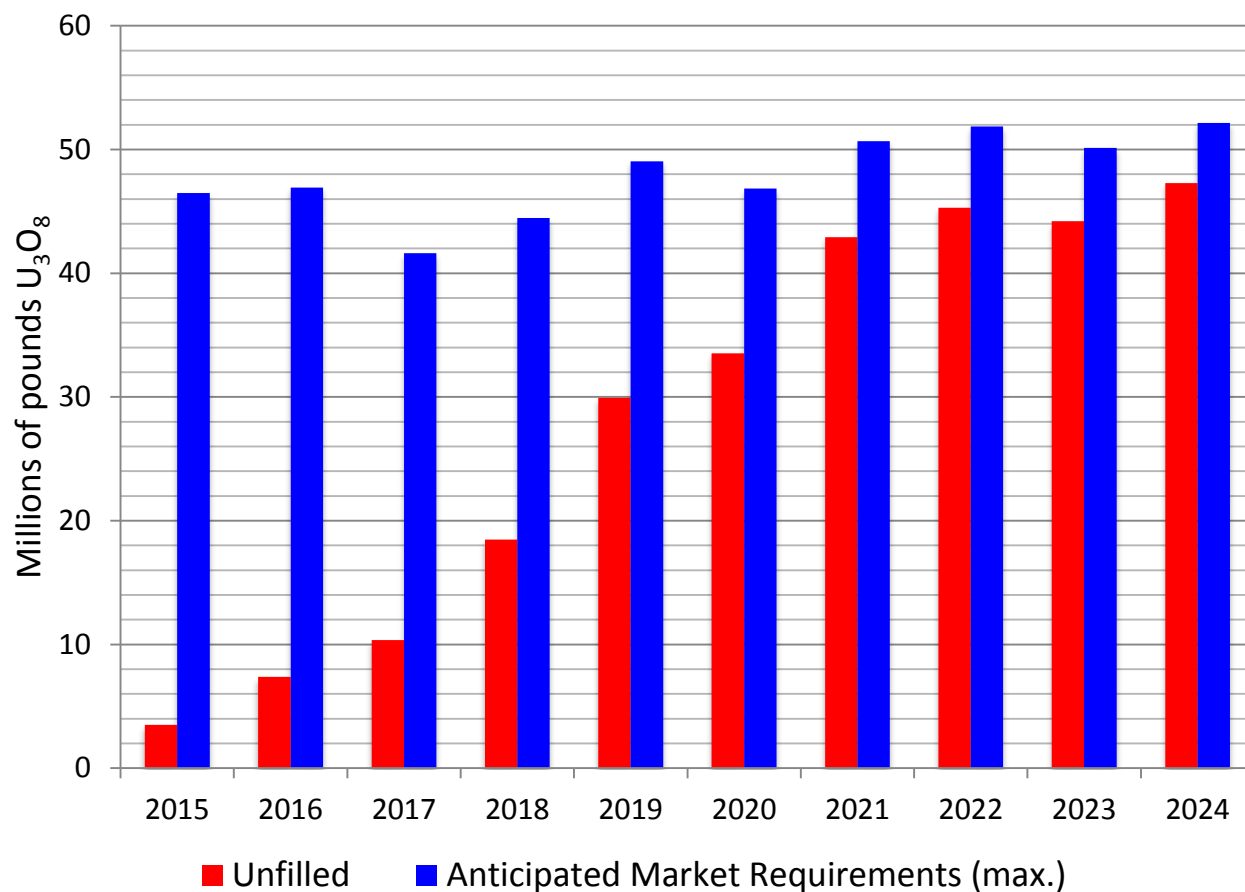


Paladin is the world's only independent pure play uranium producer



83% of production (attributable) from top 8 producers but produce ~90% of the global production (2013 production)

U.S. Utilities – Unfilled Uranium Requirements (31 Dec 2014)



2015-2024 (10 years)

282Mlb unfilled
480Mlb total requirement
60% unfilled

2015-2017

21Mlb unfilled
135Mlb requirement
15% unfilled

2018-2021

127Mlb unfilled
191Mlb requirement
66% unfilled

Source: USDOE/EIA 2014 Uranium Marketing Annual Report - May 2015

Presentation Outline

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

Profit & Loss

Nine Months Ended 31 March 2015



- ✦ **Sales revenue of US\$125.3M – down 52% on 2014***
 - 3.601Mlb sold at average realised price of US\$34.80/lb
 - anticipated sales of approximately 1.7Mlb in the June quarter

- ✦ **Gross profit from operations of US\$4.6M (2014*: gross loss of US\$27.6M)**
 - average unit C1 costs for the nine months increased to US\$30.2/lb due to decrease in production at LHM (US\$29.4/lb unit C1 costs for the March quarter)
 - total US\$ C1 costs for the nine months were 7% lower than 2014*
 - 2014* gross loss included a loss of US\$35.3M from KM

- ✦ **Admin, marketing and non-production costs of US\$14.7M – down 18% on 2014***
 - cost reduction initiatives and KM C&M

- ✦ **Total exploration expenditure of US\$4.2M – down 35% on 2014***

- ✦ **Finance costs of US\$44.5M – down 1% on 2014***
 - decrease in interest expense offset by increase in unwinding of discount on mine closure provision

**references to 2014 are to the equivalent 9 months ended 31 March 2014*

Cash Flow

Nine Months Ended 31 March 2015



✦ **Cash and cash equivalents of US\$469.6M**

- balance sheet strengthened by US\$479.9M total net proceeds received from various capital raising initiatives

✦ **Cash outflow from operating activities of US\$47.2M**

- LHM & KM utilised cash of US\$20.5M
- US\$11.8M corporate and exploration expenditure
- net interest paid of US\$14.9M

✦ **Cash outflow from investing activities of US\$12.8M**

- US\$9.7M CAPEX primarily for Bicarbonate Recovery Project at LHM
- US\$3.2M investment in exploration

✦ **Cash inflow from financing activities of US\$443.0M**

- receipt of US\$167.0M net proceeds from sale of 25% interest in LHM
- receipt of US\$166.7M net proceeds from private placement and entitlement offer
- receipt of US\$146.2M net proceeds from issue of convertible bond
- US\$35.4M of LHM project finance repaid
- syndicated loan facility establishment costs of US\$1.5M

Presentation Outline

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



Production down as reported

- production for quarter of 1.234Mlb U_3O_8
- down as a result of mainly pre-leach thickener #2 centre well failure (12 days loss of full production)
- recovery up slightly to 88.4%
- Bicarbonate Recovery Project (BRP) commissioned and operating above design
 - significant reduction in bicarbonate and caustic usage
 - positive impacts in various areas in the plant

Guidance remains 5.0–5.2Mlb U_3O_8

Optimisation and innovation for further unit cost reduction

- further benefits from the BRP project expected
- other focal areas:
 - process recovery
 - operator training
 - product precipitation and washing

Inventory change

- outstanding success of BRP and continued good performance of TSF3 brings previously unrecovered product into inventory (135,000lb in first half FY15)

	Actual Dec Qtr 2014	Actual Mar Qtr 2015
Ore processed	0.917Mt	0.860Mt
Ore feed grade	773ppm	734ppm
Recovery	88.2%	88.4%
U_3O_8 production	1.377Mlb	1.234Mlb



Kayelekera Project Strategically Placed



Transition to Care & Maintenance smoothly completed

- water management plan approved and implemented
- treated water release licensed to internationally recognised standards
- treated water release programme underway and operating smoothly

Restart feasibility study underway

- technical risk is low
 - proven process
 - proven resource
- strong cash generator with short lead time (9 months)
- future grid power now top government priority (further savings of US\$4/lb and work has commenced)
- approx 2.75Mlb pa when uranium prices justify

Government of Malawi support strong

- Paladin committed to restart when uranium price justifies



Key Pipeline Projects (being advanced)

MANYINGEE WA

Advancing toward Field Leach Trial (FLT)

- additional metallurgical and hydrogeological work underway
- targeted date for FLT permit submission March 2016 quarter
- FLT approval expected Sept 2016 quarter

Low-cost ISR project targeting 2Mlb pa U_3O_8 production

- existing mining lease
- Paladin has the expertise to develop

2018 development target (price dependent)



MICHELIN DEPOSIT Canada

Drilling commenced 2013 and 2014

- successfully upgraded Michelin deposit Measured & Indicated mineral resource by 25% to 84Mlb U_3O_8 , with 23Mlb U_3O_8 remaining in Inferred

2021 development target (price dependent)

- Paladin believes the project has the potential to be placed amongst the world's largest economically viable uranium projects – likely to start at around 5Mlb pa with expansion potential

Michelin project area mineral resources 100.8Mlb U_3O_8 Measured and Indicated and 39.8Mlb U_3O_8 Inferred



Presentation Outline

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





Paladin now positioned to capitalise on improving uranium market fundamentals through a range of value creating strategies

- ✦ **Strategic Partnership to provide a platform for growth**
 - negotiating from a position of strength, no time pressure
 - proceed only if value accretive and the right terms achieved
- ✦ **Production optimisation through innovation will reduce future operating costs and capex**
 - gives opportunity also to target previously sub-economic resources
- ✦ **Further deleveraging**
 - \$274M CB will be dealt with in a timely fashion to avoid uncertainty
- ✦ **Maintaining a proven team of industry leaders ready to explore and develop new opportunities**



- ✦ **Guidance for FY2015 remains 5.0Mlb to 5.2Mlb**
- ✦ **Cost rationalisation at operations and corporate level**
 - Paladin has delivered on cost reduction targets ahead of schedule and will continue to reduce costs further
- ✦ **Improving operational performance through production optimisation**
 - expected innovation realisation will change efficiency at current operations and future developments - a new paradigm
- ✦ **Paladin remains positioned to take advantage of the future uranium upturn**
 - ability to increase production quickly when and as required
- ✦ **Discussions advancing on strategic partnership objective**
 - capitalise on very high strategic value of Paladin
 - more value accretive with time

There will not be another company like Paladin developed from grass roots into an emerging uranium mining house with high strategic value and of interest to emerging and existing nuclear economies



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**