



PALADIN ENERGY LTD

ACN 061 681 098

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18 November 2016

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

ALEXANDER MOLYNEUX
CEO



PALADIN ENERGY LTD

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Chairman's Address at 2016 Annual General Meeting

Dear Fellow Shareholders

There is no denying that these past few years have been more than challenging for the uranium industry. The spot price for uranium has persistently declined quarter by quarter and now is at a low not seen since late-2004. Ironically, due to the then upward trend of the uranium price, Paladin surged ahead with its plans to become "the new energy in the market" and the share price responded accordingly.

Our CEO Alex Molyneux will present to you shortly and touch on the outlook for the uranium price.

To deal with the deterioration in the uranium price, over the past 3 years in particular, the Company has taken several major actions, including-

- Selling a 25% interest in the Langer Heinrich Mine to CNNC Overseas Uranium Holding for US\$190M
- Introducing new processing technology and improved efficiencies to effect a major cut in operating costs
- Putting the Kayelekera Mine on care and maintenance
- Adjusting the mine plan at Langer Heinrich
- Significantly reducing exploration
- Reducing head office staff levels by over 60%
- Reducing Board size and directors' fees (by some 60%).

Despite these major achievements, particularly in the last 12 months, we have seen the uranium price fall by approximately 50% to a level where no producer anywhere in the world can sustainably break even. It's a market where share prices for participants in our industry are reaching new lows and producers are in worse shape than juniors due to their exposure to negative operating cash flows.

Your board and management are only too aware of the concern of all stakeholders but I can assure you that we have and will continue to work diligently to endeavour to deal with the current position and we remain committed to the goal of ensuring Paladin is sustainable.

I remind shareholders that Paladin is a global uranium leader, which owns 75% of Langer Heinrich (a strategic tier one mine) and which provides the best leverage to uranium upside.

On behalf of the board, I thank Alex Molyneux and all the Paladin team for their dedication and application during yet another challenging period. Thank you also to shareholders who continue to share the clean energy uranium viewpoint with us.

RICK CRABB
Chairman

17 November 2016



PALADIN ENERGY LTD

Annual General Meeting 18 November 2016

Alexander Molyneux – Chief Executive Officer

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 Stephanie Raiseborough B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Mr. Princep and Ms. Raiseborough 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. Mr. Princep and Ms. Raiseborough 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.

Some of the information in this presentation, in relation to the mineral resources and ore reserves for all deposits except Langer Heinrich, Manyingee and Michelin, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information that the estimates are derived from has not materially changed since it was last reported.



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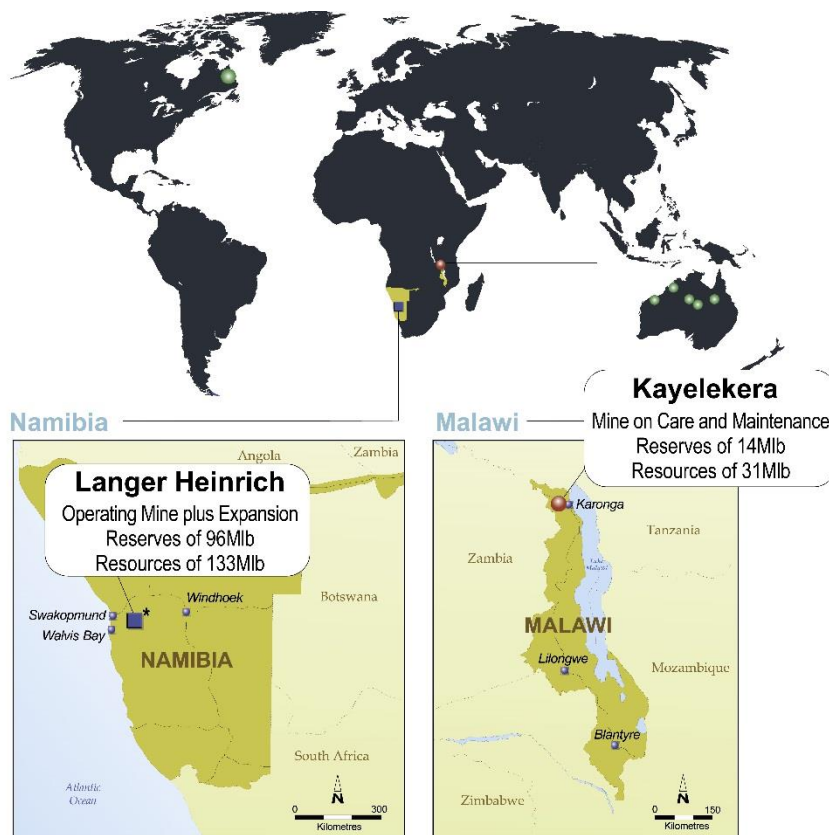
A GLOBAL URANIUM LEADER

OWNS LANGER HEINRICH, A STRATEGIC TIER ONE MINE

HAS OPTIMISATION AS A CORE COMPETENCY

PROVIDES BEST SENIOR LEVERAGE TO URANIUM UPSIDE

Global Uranium Leader



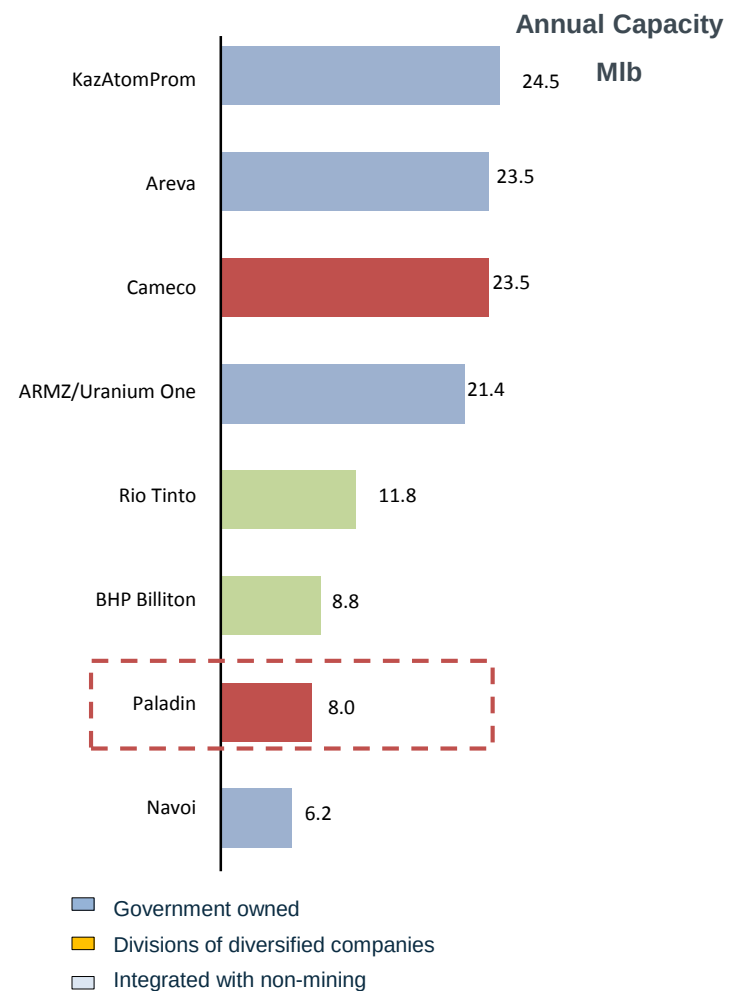
Attributable Reserves and Resources

Proved + Probable	85.7Mlb U_3O_8
Measured + Indicated	254.6Mlb U_3O_8
Inferred	150.7Mlb U_3O_8
Historic	21.9Mlb U_3O_8

● Paladin 100%
■ Paladin 75%
● Geological Assets

Resources and Reserves shown on the map represent 100% of the Resource of Reserve - not the participant's share, and are depleted for mining where appropriate.

Paladin is the world's leading independent pure play uranium miner



Langer Heinrich A Strategic Tier One Mine



First Quartile
C1 Cash Cost¹

**Top 10 Uranium Mine by
Production²**
4th largest open-pit

+20 Year Mine Life³

37.7Mlb
Cumulative production

¹ Source – UxC Uranium Production Cost Study – August 2015

² Source – TradeTech Uranium Market Study – 2015: Issue 3 (based on 2015 production)

³ At current processing rates



Year to 30 June 2016 Highlights



References below to 2016 and 2015 are to the equivalent twelve months ended 30 June 2016 and 2015 respectively.

Production 4.763Mlb

Drummed Production 4.737Mlb

LTIFR 1.8

Compared to 2.4 in 2015

US\$37.75/lb ASP

*4.56/lb above average spot
US\$33.19/lb for 2016*

C1 Cash Cost US\$25.88/lb

Within guidance and record low

**All-in Cash Expenditure
US\$38.75/lb**

*Decrease of 24% from
US\$50.75/lb in 2015*

Cash US\$59.2M

vs guidance of US\$45M to US\$65M

- ✓ Achieved objective of being cash flow positive excluding one-off items
- ✓ Cost reduction initiatives deliver 24% decrease in all-in cash expenditure
- ✓ Debt reduced by US\$122.9M during the year
- ✓ US\$25.0M LHM Revolving Credit Facility in place and undrawn at 30 June 2016
- ✓ Strategic Process results in agreements to raise in excess of US\$200M

Year to 30 June 2016 Highlights (Cont)

References below to 2016 and 2015 are to the equivalent twelve months ended 30 June 2016 and 2015 respectively.



Down 7%

Sales revenue
US\$184.9M

4.899Mlb sold at average
realised price of US\$37.75/lb



Down 20%

Cost of Sales
US\$152.5M

Decrease from 2015
Cost of Sales of US\$189.7M



Up 661%

Gross Profit
US\$13.7M

Increase from 2015
Gross Profit of US\$1.8M



Up 219%

EBITDA US\$24.8M

Improved from 2015
negative EBITDA of US\$20.9M



US\$122.9M Debt
Reduction

Repurchased US\$62.0M of 2017 CB
Repaid and terminated the US\$60.9M
LHM Syndicated Facility

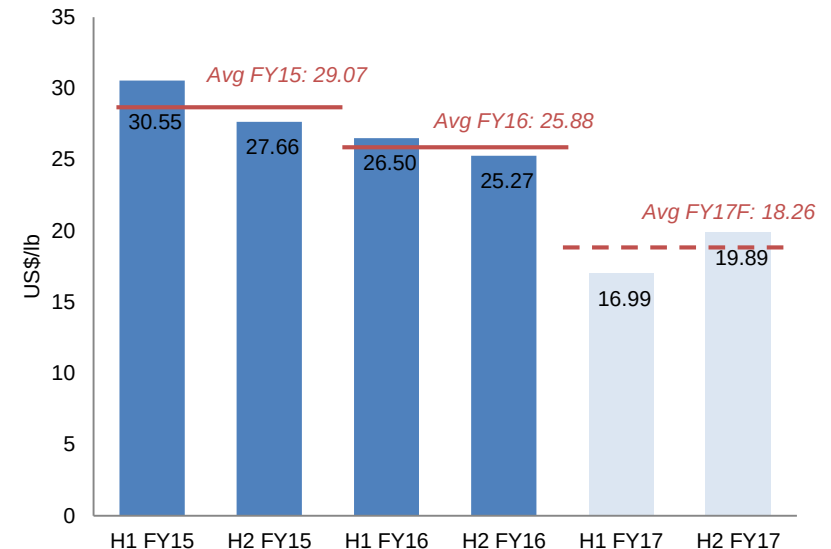
US\$25M Revolving
Credit Facility

New US\$25.0M LHM Revolving Credit

Optimisation and cost structure sustainability

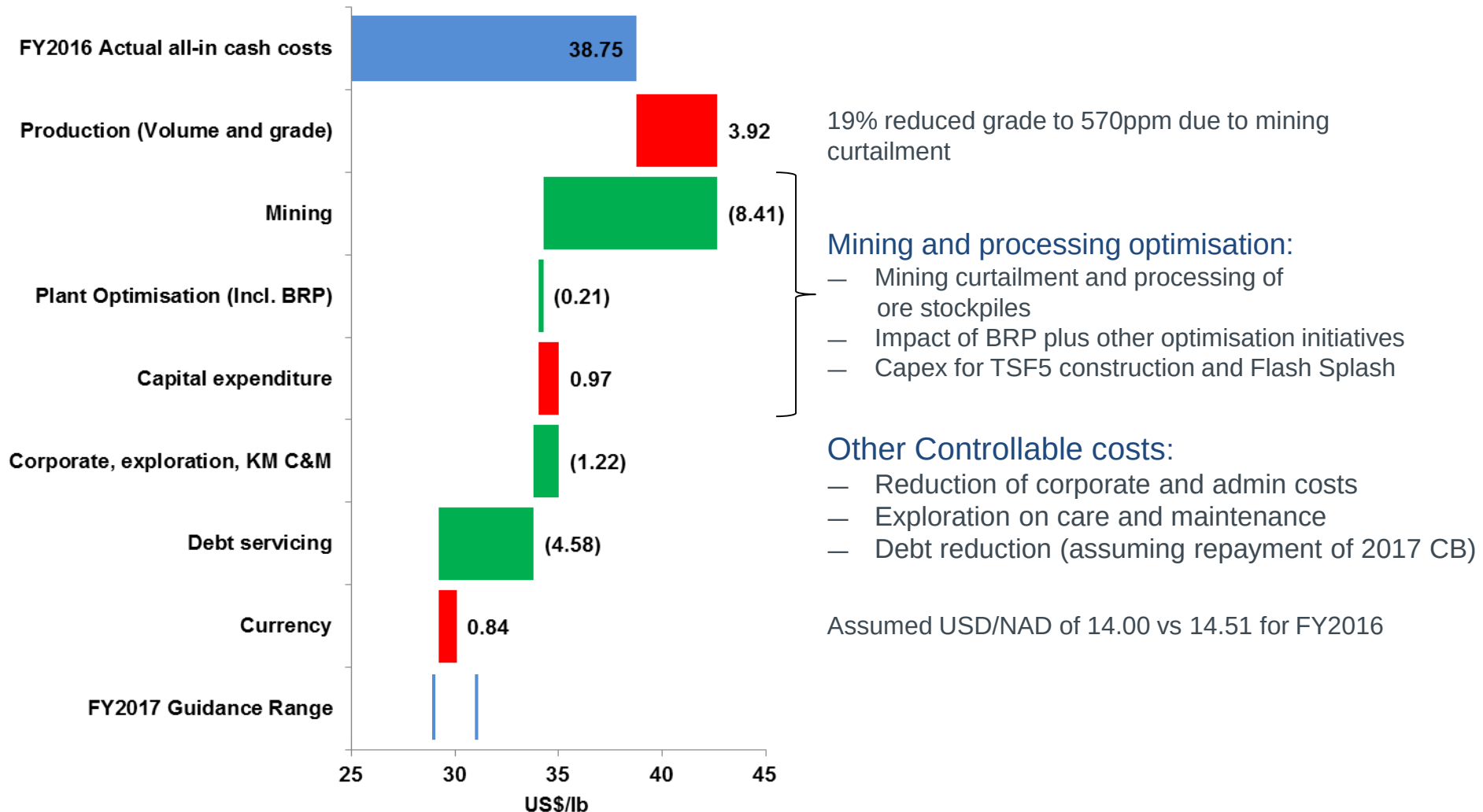
- Paladin has led the industry with its focus on cost reductions
- Operating cost reductions driven by in-house specialist technical services team
- Bi-carbonate recovery plant implementation in FY2015 and recalibration in FY2016 is prime example – US\$6m capital spend to realise approx. US\$30m (i.e. US\$6/lb) annual savings
- Additional initiatives to reduce production cost >US\$2/lb over the next two years
- Corporate overheads cut by c.70% in last 18-months

LHM C1 cost (FY2015 – FY2017'F)



Optimisation and cost structure sustainability (Cont)

All-in cash costs variance analysis (FY2017 current guidance vs. FY2016 actual)¹



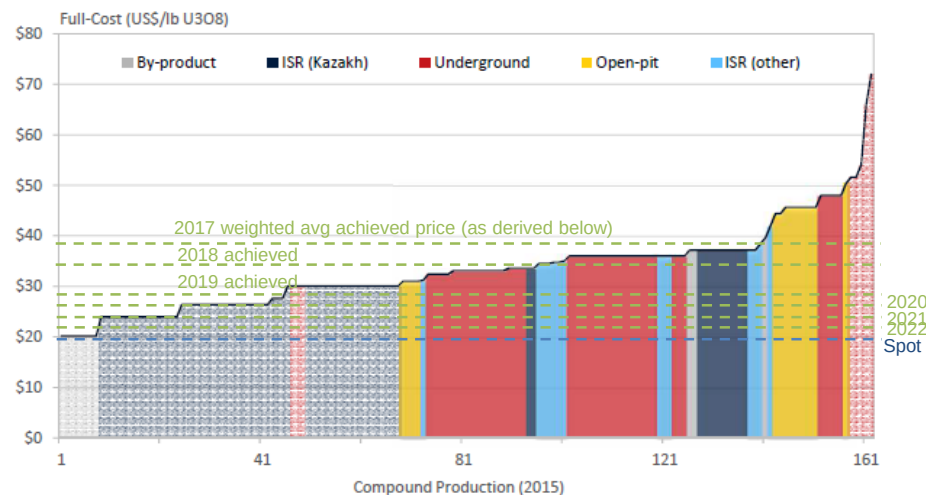
¹Includes: Operating cash flows; investing cash flows; and debt servicing (excluding one-off items)

Uranium is unsustainable at < US\$20/lb

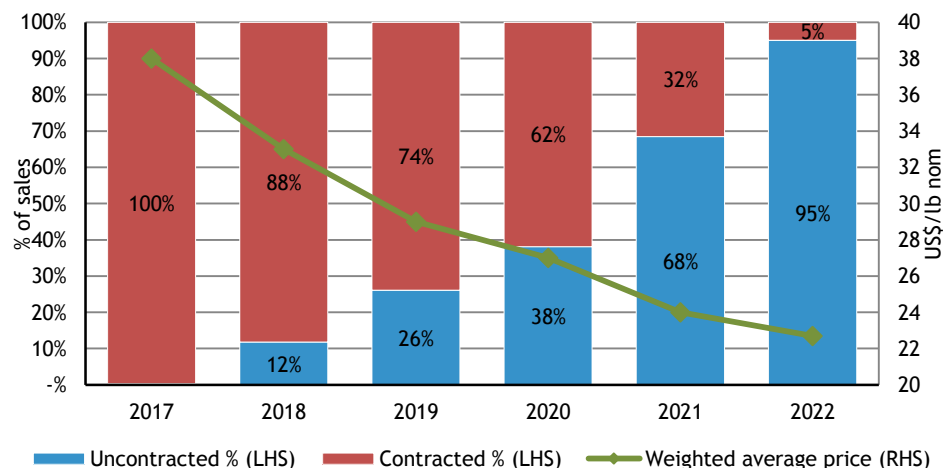
A uranium price of US\$20/lb is unsustainable into the future as historical fixed contracts roll off

- Taking into account contracts and un-contracted volumes, Paladin estimates the industry average received price is now falling below US\$40/lb
- If Spot stays <US\$20/lb, average received prices will fall <US\$30/lb by 2019
- Up to 40% of global uranium supply would be at risk under those conditions
- We estimate 10-15% of global supply to be cut as early as CY2017
- Supply cuts will balance the market and normalise prices despite sluggish consumption

Global uranium cost curve vs forecasted achieved price (US\$/lb)



Forecasted weighted avg achieved price (US\$/lb nom)

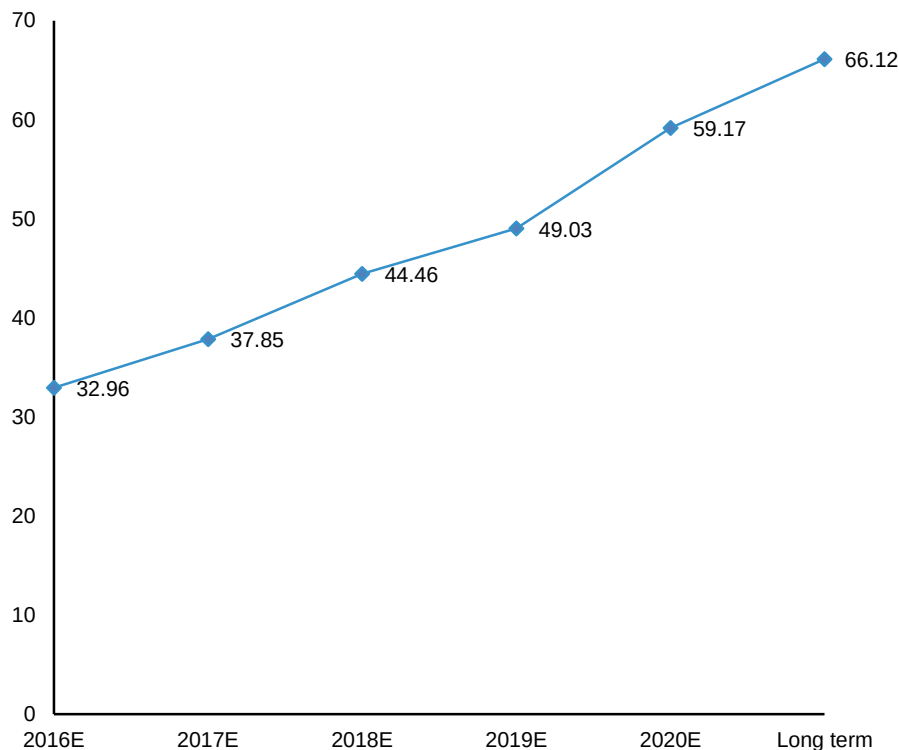


Source – Broker reports, UxC and Tradetech

The medium and long-term rationale for stronger uranium prices is compelling



Consensus outlook for Uranium pricing (US\$/lb)



Source – Broker reports and Tradetech

Broker commentary

We don't believe the uranium price can sustain a sub US\$30/lb level for longer than a year given the cost structure of the industry and rising demand. On an all-in basis cost of production is north of US\$30/lb and with only legacy contracts ensuring miners are cash flow positive today, this is an unsustainable position in our view.

UBS, 15 August 2016

... overall installed nuclear capacity is expected to continue to grow, driven primarily by China, Korea, and the Middle East. In China alone there are 20 nuclear reactors currently under construction and 42 more at the planning stage. Growth in nuclear power generating capacity is thus expected to drive growth in uranium demand, which on our forecasts means we expect to see a supply shortfall emerge later this decade, which can only be met through increasing primary mine supply... As uncovered requirements increase with time, we expect nervousness about the security of future supplies to increase, which should prompt an increase in term contracting and higher spot prices.

BMO, 29 September 2016

Mine development lacks support, but we believe prices will ultimately rise as supply gets tighter. In the meantime, we suggest investors focus on companies that: 1) own high value, quality deposits; 2) minimize spot exposure through high-priced contracts; 3) are capable of lowest quartile costs; and 4) have strong or improving balance sheets. Leverage to rising prices may also be desirable for some; especially as we believe that downside risk in the current market appears minimal.

Dundee, 8 August 2016

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1. Maximise LHM operating cash flows through optimisation initiatives that preserve the integrity of the long-term life of mine plan
2. Maintain KM and exploration on a “minimal expenditure, care and maintenance basis”
3. Minimise corporate and administrative costs
4. Progress strategic initiatives with respect to partnerships, strategic investment, funding and corporate transactions



Production 3.8-4.0Mlb

**Amended LHM mine plan
to enhance operating
level cash flows**

LHM C1 US\$17-19/lb

“All in” US\$29-31/lb

**US\$14M corporate costs,
KM care and maintenance
and exploration**
US\$5M lower than FY2016

December Quarter:

- *Sales 1.40Mlb-1.60Mlb*
- *ASP US\$25-27/lb¹*
- *LHM C1 cash cost US\$17-19/lb²*
- *Cash balance US\$20-30M*

¹ At current uranium prices

² Dependant on receiving overdue VAT receipts and timing of certain sales receipts



Proxy Votes 2016 Annual General Meeting



1,047 proxies were received representing 34.85% of the issued capital

	For	Against	Abstain	Open usable*	% of Issued Capital	Excluded Votes**
Resolution 1						
Re-election of Philip Baily	571,875,208	5,418,384	2,549,017	1,957,292	33.81%	
Resolution 2						
Re-election of Rick Crabb	563,876,805	8,135,282	7,830,522	1,957,292	33.51%	
Resolution 3						
Appointment of PwC as auditor	593,222,319	1,808,575	2,564,073	1,954,591	34.85%	
Resolution 4						
Remuneration Report	560,908,291	28,317,677	8,244,874	2,024,090	34.51%	40,500

* *Open usable reflects valid proxies for which no voting indication has been noted – if held by the Chairman these will be voted in favour of all resolutions.*

** *Relates to key management personnel excluded from voting pursuant to ASX Listing Rules*