



PALADIN ENERGY LTD

September Quarter Results Conference Call and Investor Update

16 November 2016

Alexander Molyneux – Chief Executive Officer
Craig Barnes – Chief Financial 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 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.



PALADIN

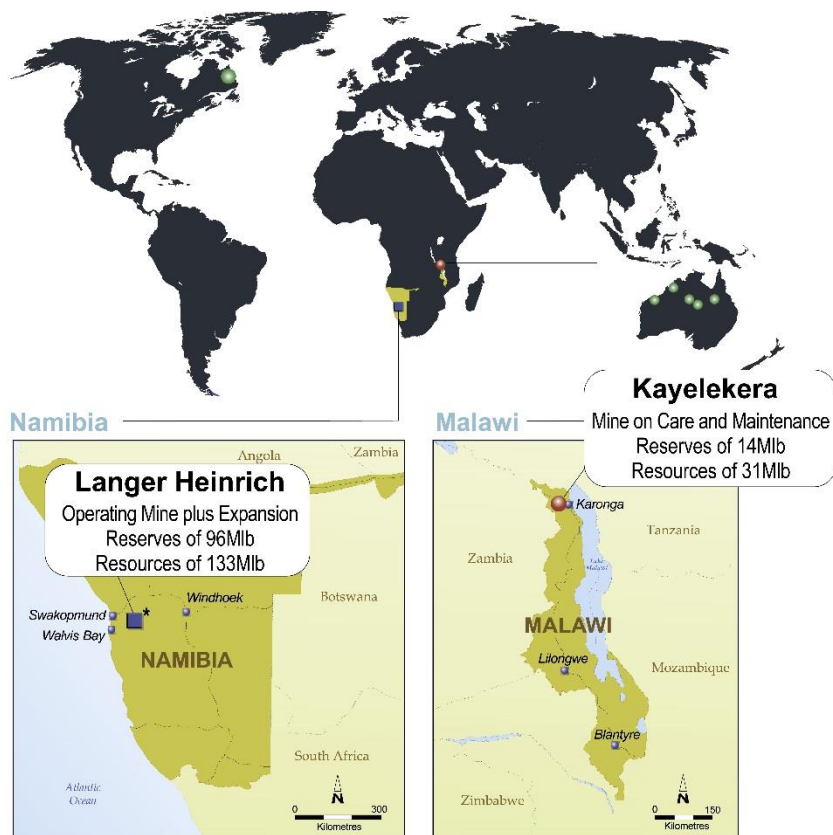
A GLOBAL URANIUM LEADER

OWNS LANGER HEINRICH, A STRATEGIC TIER ONE MINE

HAS OPTIMISATION AS A CORE COMPETENCY

PROVIDES BEST SENIOR LEVERAGE TO URANIUM UPSIDE

Global Uranium Leader



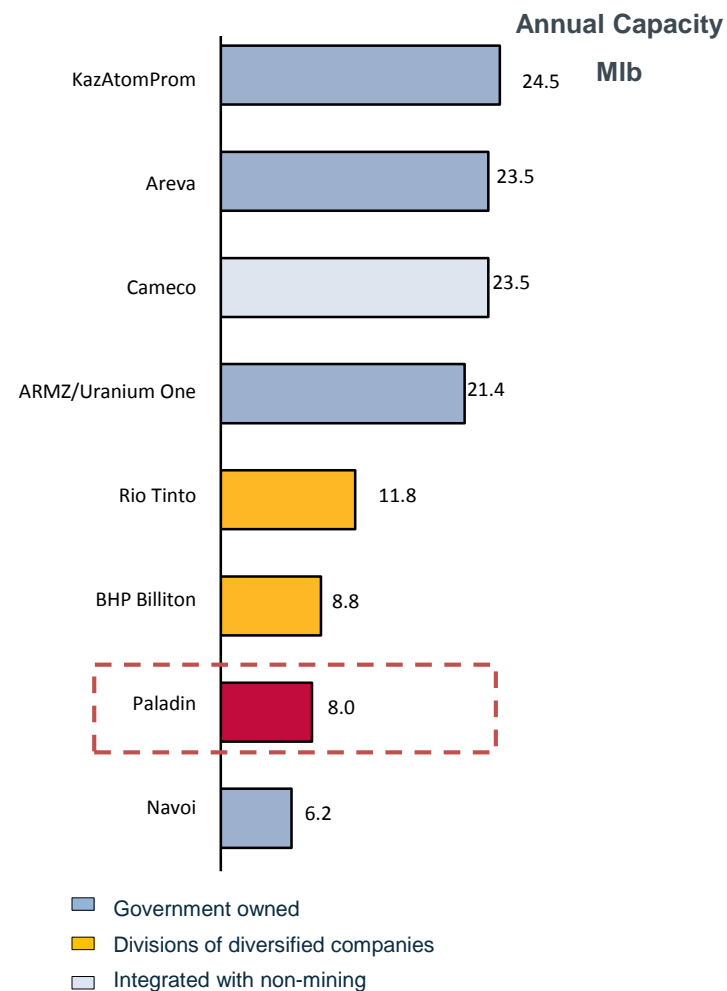
Attributable Reserves and Resources

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 or 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



Quarter to 30 September 2016 Highlights



References below to 2016 and 2015 are to the equivalent three months ended 30 September 2016 and 2015 respectively.



Production 1.293Mlbs

Increase from 1.083Mlb in 2015

Up 19%



US\$25.19/lb ASP

Decrease from US\$46.12/lb in 2015

Down 45%



**C1 Cash Cost
US\$16.45/lb**

Below guidance and record low

Down 41%



**All-in Cash Expenditure
US\$29.31/lb**

*Decrease of 37% from
US\$46.25/lb in 2015*

Down 37%



**Corporate, exploration
and KM C&M costs
US\$3.5M**

Decrease from US\$6.3M in 2015

Down 44%



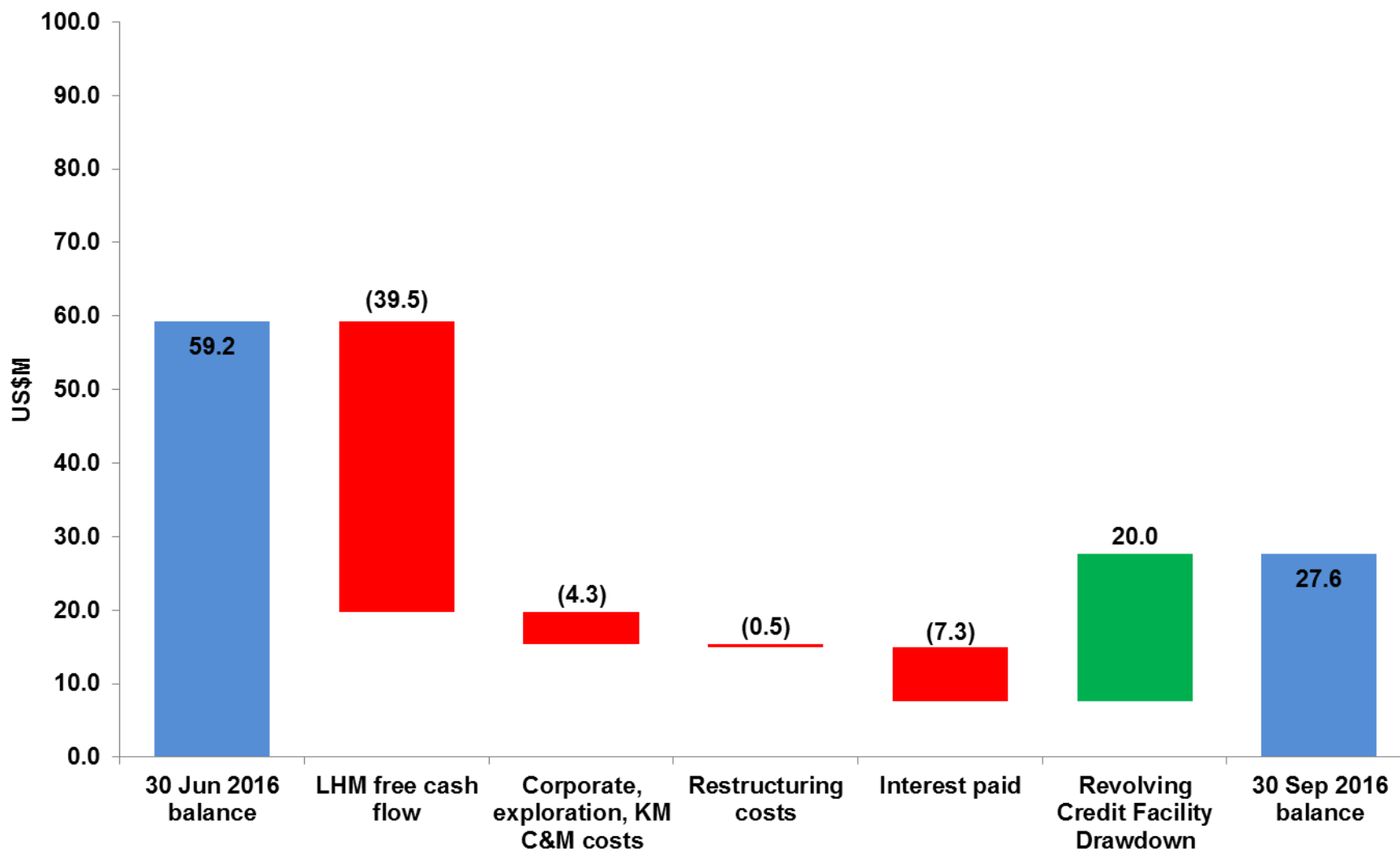
Cash US\$27.6M

*Impacted by lower sales volume,
lower uranium price, higher ore and
waste mined and late payment of VAT
refunds*

Quarter to 30 September 2016 Cash Flow

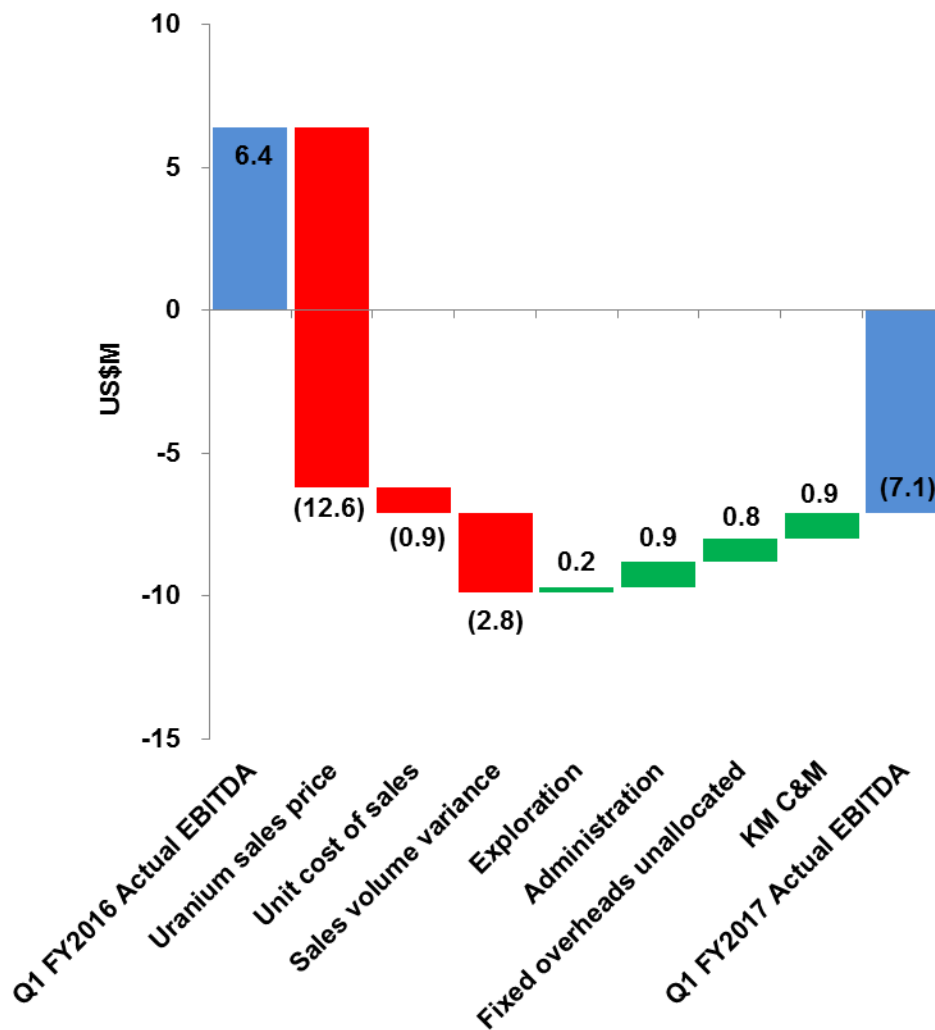


Quarter to 30 September 2016 change in cash and cash equivalents

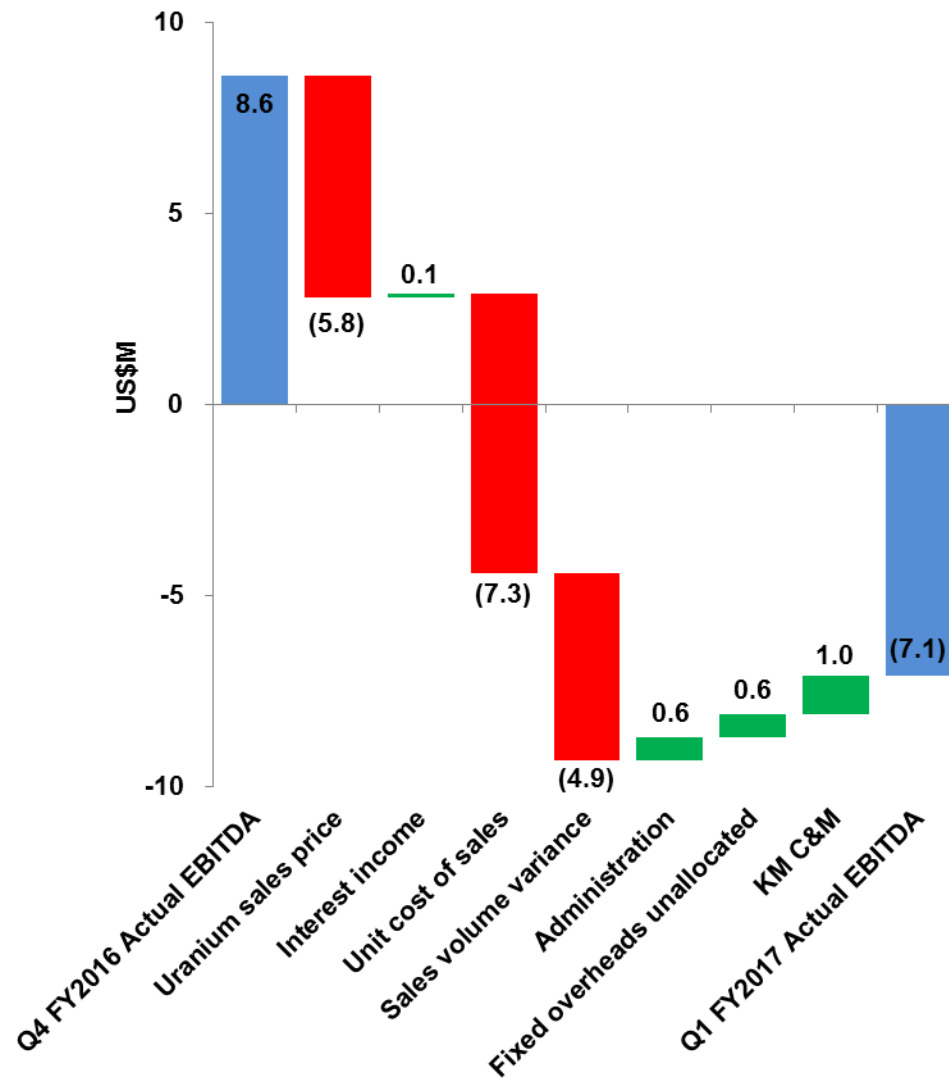


EBITDA Variance Analysis

Quarter to 30 Sep 2016 vs. Quarter to 30 Sep 2015



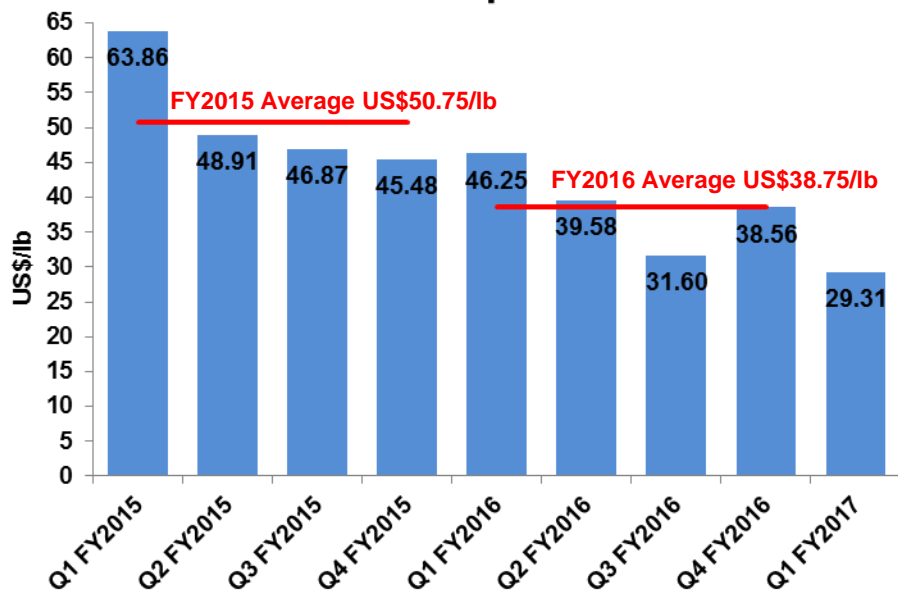
Quarter to 30 Sep 2016 vs. Quarter to 30 Jun 2016



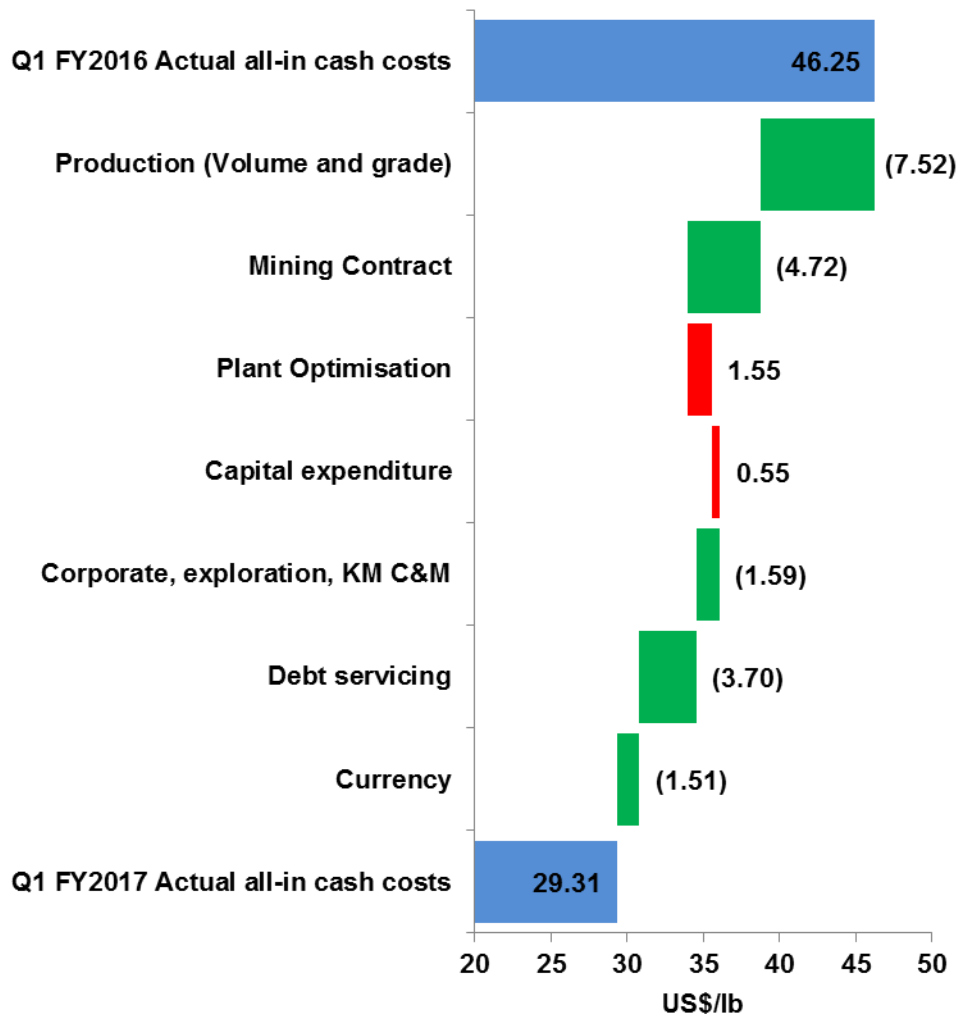
All-in Cash Expenditure (Breakeven Price)

- Defined to include all spending excluding one off items
- Ahead on plans to reduce expenditure with low uranium price
- Reduced by US\$16.94/lb vs. last year (excluding one off items)

All-in cash expenditure



Quarter to 30 Sep 2016 vs. Quarter to 30 Sep 2015



Strategic Outcomes

- Sale of 24% of LHM
 - Non-binding term sheet executed
 - Expected to raise **US\$175M**
 - Long-term arrangements for uranium off-take
 - Working towards formal close in first quarter of 2017 calendar year
- Sale of 75% of Manyingee
 - Binding terms sheet with MGT Resources Limited (**MGT**)
 - Initial investment:
 - **US\$10M** for 30% interest in Manyingee
 - Stage 2 investment option:
 - **US\$20M** for 45% interest in Manyingee
 - exercisable 12-months following preparation FLT plan
 - Formal close of the transaction expected in first quarter of 2017 calendar year or early in the second quarter of 2017 calendar year

Capital Management



- Debt reduction¹ of US\$542.5M since June 2012
- Next maturity is April 2017
- Implemented US\$25M Revolving Credit Facility (US\$20M drawn as at 30 September)
- Strategic initiatives to raise in excess of US\$200M
- Proceeds from strategic initiatives to be applied against repayment of April 2017 CB

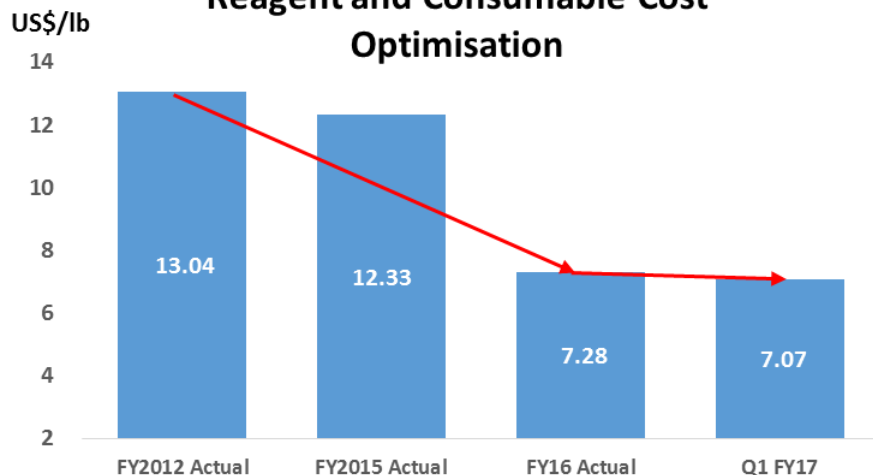
Breakdown of Key Debt Instruments ¹	US\$M
Convertible Bonds due April 2017	212
Convertible Bonds due March 2020	150
LHM Revolving Credit Facility	20
Total Debt	382

¹ Reductions based on face value of debt

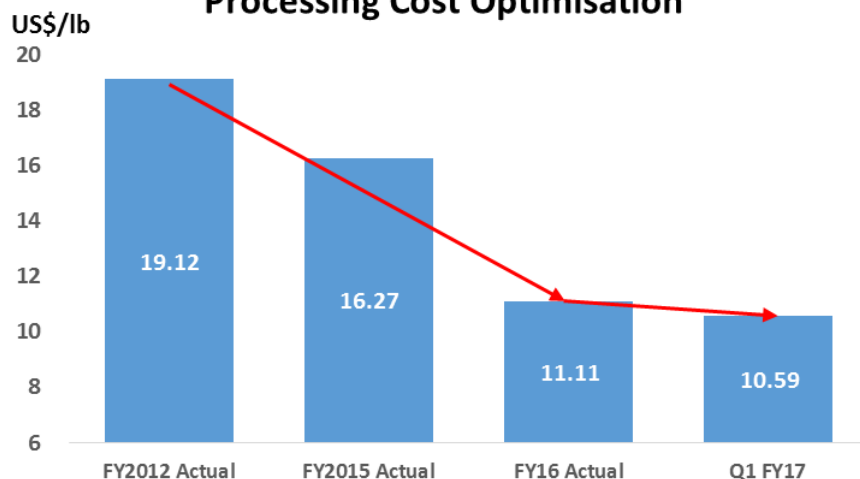
Optimisation a Core Competency



Reagent and Consumable Cost Optimisation



Processing Cost Optimisation

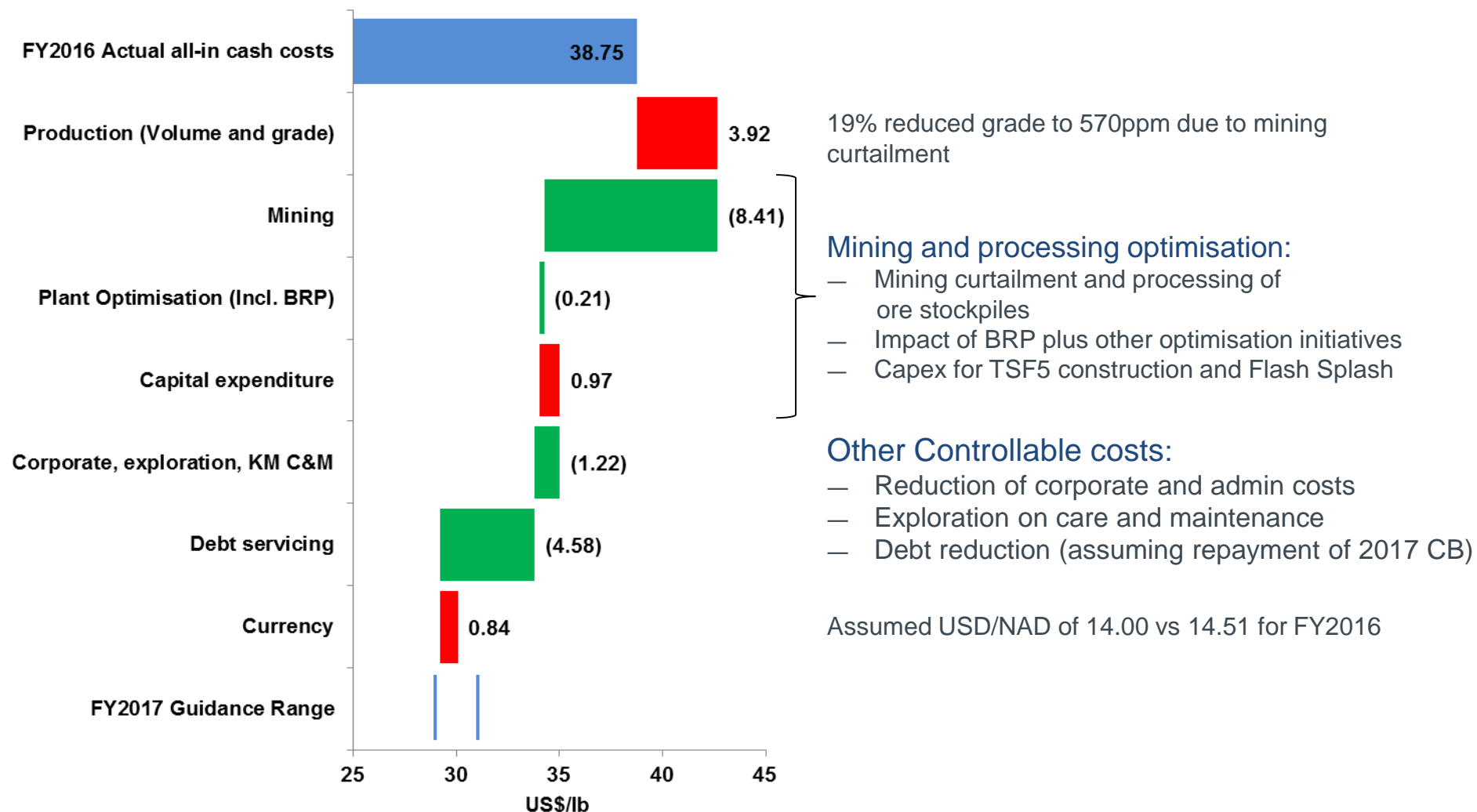


- Paladin maintains a world class technical services team focused on cash flow optimisation
- Processing costs stabilised at new benchmark

Optimisation and Cost Reduction



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



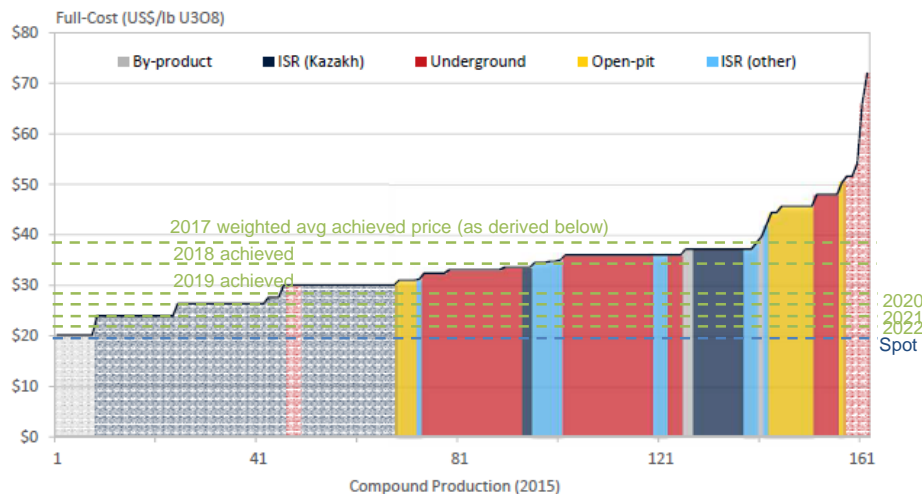
¹Includes: Operating cash flows; investing cash flows; and debt servicing (excluding one-off items)

Uranium is unsustainable at < US\$20/lb

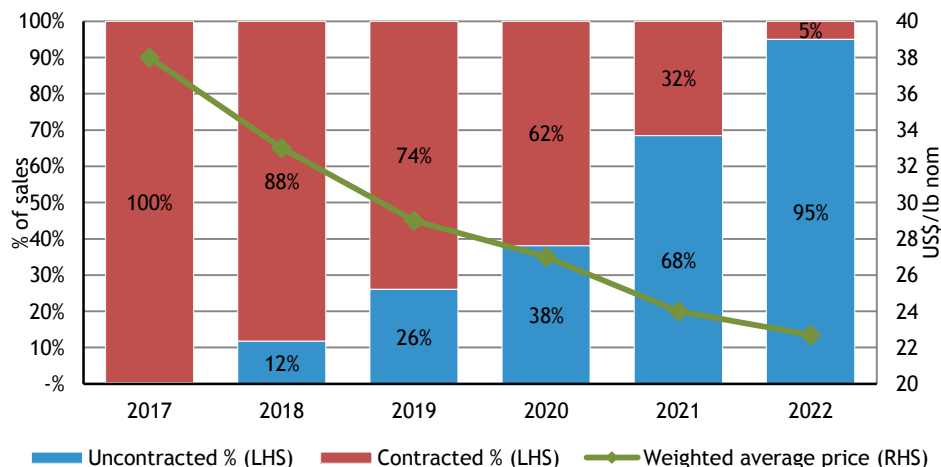
A uranium price of US\$20/lb is unsustainable into the future as historical fixed contracts roll off

- 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)

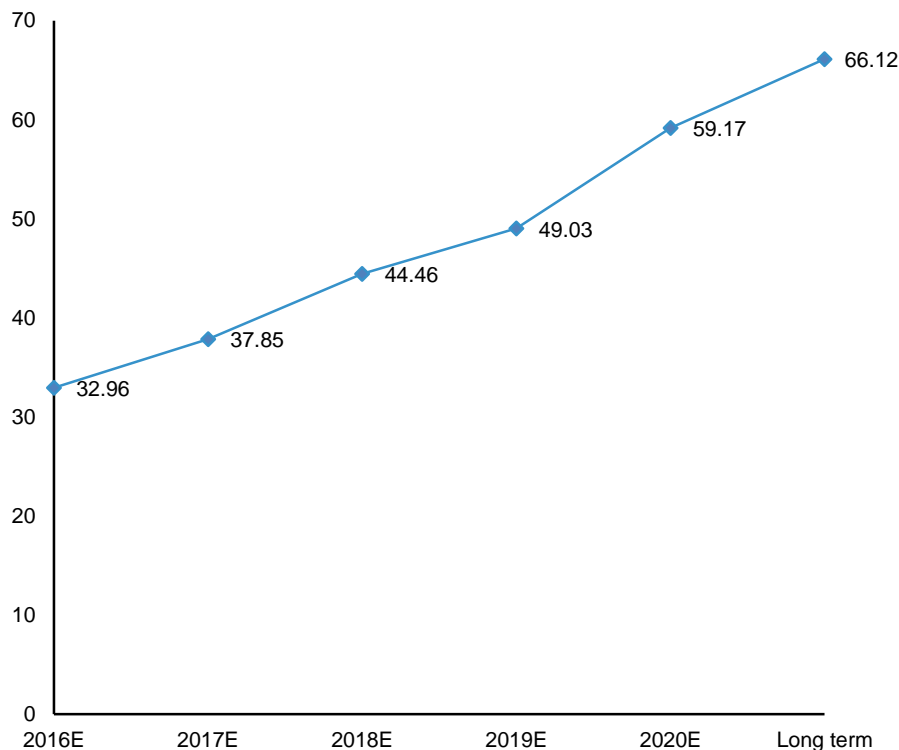


Source – Broker reports, UxC and Tradetech

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

PALADIN

1. Maximise LHM operating cash flows through optimisation initiatives whilst preserving 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 and close announced 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

Appendix

Langer Heinrich Project Update



- **Production September Quarter**
 - 1.293 Mlb
 - recovery 87.7%

- **C1 Cost US\$16.45/lb, a record low**
 - consequent to stockpile write-down and
 - cessation of mining
 - able to maintain lower costs for at least 1 year

- **Further unit cost reduction targeted**
 - Process identified
 - Significant further savings identified
 - Successful piloting almost completed

Actuals	June Quarter	Sep Quarter	
	FY2016	FY2016	FY2017
Ore treated (kt)	843	847	950
Ore grade (ppm)	670	706	704
Recovery (%)	89.2	82.2	87.7
U ₃ O ₈ prod'n (Mlb)	1.119	1.083	1.293
C1 (US\$/lb)	26.60	27.82	16.45



Pipeline Projects



- **Kayelekera Mine**
 - now stable in C&M
 - site stable in terms of water and other environmental issues for the long term
- **Michelin Deposit Canada**
 - minimum expenditure planned for FY2017
- **Manyingee WA**
 - Subject to partial sale agreement
 - minimum activity planned for FY2017
 - FLT application to be lodged in next half



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

Andrew Mirco

Telephone: +61 (0) 8 9423 8162

Mobile: +61-409-087-171