



## PALADIN ENERGY LTD

ACN 061 681 098

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19 November 2015

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**  
Interim CEO



## PALADIN ENERGY LTD

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### Chairman's Address at 2015 Annual General Meeting

Dear Fellow Shareholders

The further retreat in the uranium price and overall deterioration in commodity-related equities during the 2015 financial year presented continued ongoing challenges for your Company. During 2014 the uranium spot price touched a nine-year low, but has since recovered somewhat. Expectations are for an upward trend to develop but the market is experiencing continued volatility. Virtually all other commodities however are experiencing all-time lows and uranium is generally regarded as a commodity with a better medium to long term future.

During this challenging period, the Paladin Board and management nevertheless completed a number of important steps to progress recapitalisation of the Company, as outlined in the Annual Report. These included an entitlement offer and institutional placement to raise A\$205M, the issue of US\$150M senior unsecured convertible bonds and the repurchase of the US\$300M November 2015 convertible bonds.

The institutional placement introduced HOPU Clean Energy (Singapore) Pte Ltd as a 15% shareholder and Mr Wendong Zhang was appointed to the board representing HOPU. I take this opportunity to thank HOPU for its important contribution to securing a long term sustainable future for Paladin and I trust the HOPU investing community will be rewarded in due course for their faith in Paladin and the uranium industry.

Although production at the Langer Heinrich Mine was down in FY2015 and was also slightly down last quarter, the temporary technical issues which resulted in the reduction have been rectified and a solid production outlook is expected.

In addition to cost reduction initiatives during FY2015, in July and August this year the Company announced a number of further measures aimed at making Paladin cash-flow positive in the current uranium price environment. Further work remains to be done in FY2016 particularly to strengthen the balance sheet and to improve production at Langer Heinrich whilst reducing costs.

On 10 August 2015, the Company announced that Mr John Borshoff stepped down as Managing Director and CEO. It was John's vision, tenacity and spirit that created Paladin, which remains uniquely placed to benefit from an improved uranium market. I take this opportunity on behalf of shareholders to again sincerely thank John for his efforts and sacrifice over some 21 years and wish him all the best for the future. Recently two other long serving officers of the Company, non-executive director Sean Llewelyn and Company Secretary/EGM Corporate Services Gillian Swaby, stepped down. Their respective significant contributions are very much appreciated and I also wish them all the best in future endeavours.

As you are aware, Mr Alexander Molyneux is currently serving as Interim CEO and with the support of the Board continues to focus on the goals the Company has set for FY2016. We are well advanced in the process to identify and recruit a high calibre permanent CEO and I would expect to be in a position to make an announcement in that regard in the near future.

I am pleased that the Company has continued to maintain high standards in health and safety and environmental management. I encourage shareholders to study the sustainable development report in the Annual Report. In addition, the Sustainability Report (prepared in accordance with the Global Reporting Initiative G4 Guidelines) for 2015 has recently been uploaded to the Company's website and provides up to date information on this important aspect of the business.

I wish to thank all employees for their hard work and dedication during what has been, yet again, a challenging period for the Company. I remain confident that the conclusion of FY2016 will see an improved outlook for Paladin, to the benefit of all stakeholders.

**RICK CRABB**  
Chairman

19 November 2015



PALADIN ENERGY LTD

## **Annual General Meeting 19 November 2015**

**Alexander Molyneux – Interim 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 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**

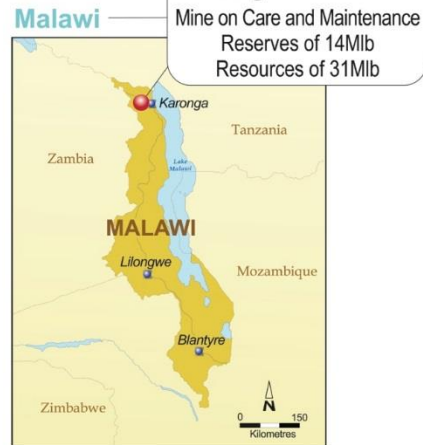
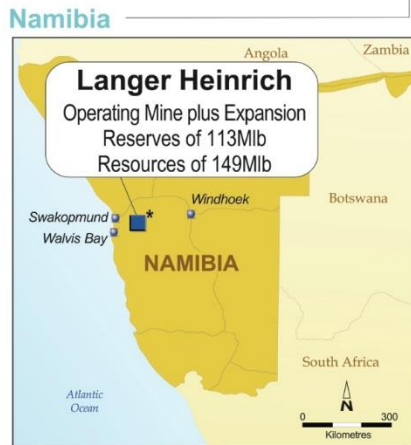
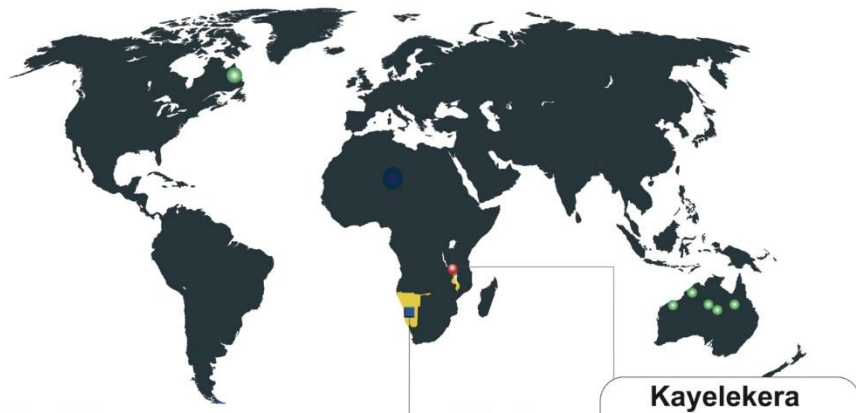
**A GLOBAL URANIUM LEADER**

**OWNS LANGER HEINRICH, A STRATEGIC TIER ONE MINE**

**HAS OPTIMISATION AS A CORE COMPETENCY**

**PROVIDES BEST SENIOR LEVERAGE TO URANIUM UPSIDE**

# Global Uranium Leader

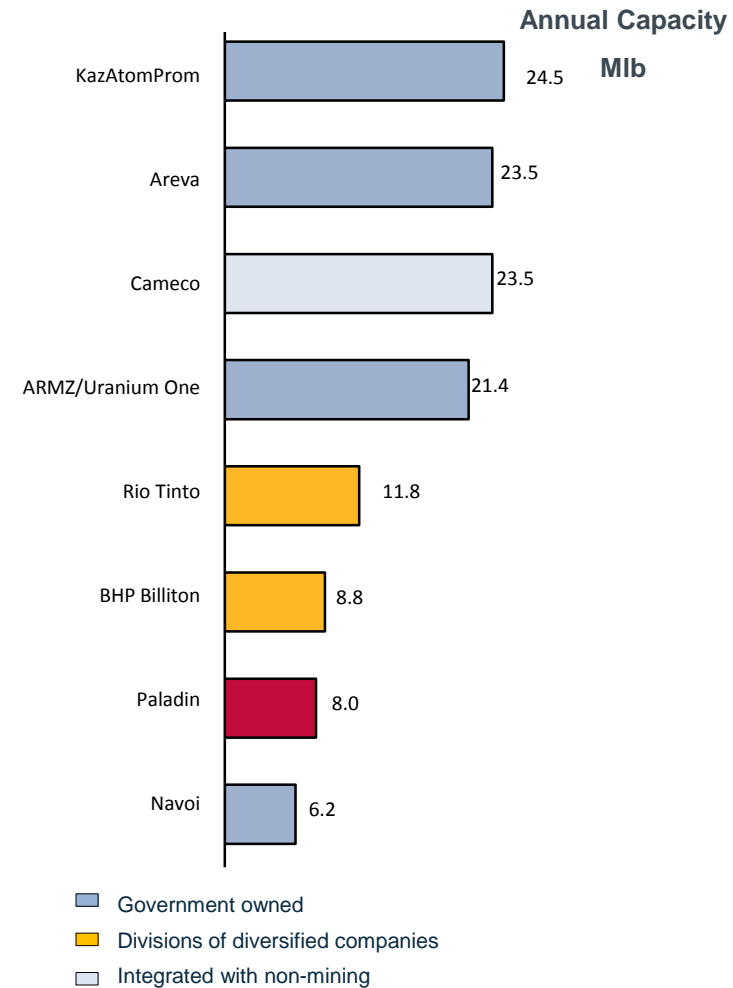


Attributable Reserves and Resources	
Proved + Probable	98.5Mlb U <sub>3</sub> O <sub>8</sub>
Measured + Indicated	239.3Mlb U <sub>3</sub> O <sub>8</sub>
Inferred	156.3Mlb U <sub>3</sub> O <sub>8</sub>
Historic	21.9Mlb U <sub>3</sub> O <sub>8</sub>

- 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*





## First Quartile

### C1 Cash Cost<sup>1</sup>

## Top 10 Uranium Mine by Production<sup>2</sup>

*4th largest open-pit*

## +20 Year Mine Life<sup>3</sup>

## 32.7Mlbs

*Cumulative production*

<sup>1</sup> Source – UxC Uranium Production Cost Study – August 2015

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

<sup>3</sup> At current processing rates



# Key Achievements for FY2015



**Production 5.037Mlbs**

**Recovery 87.6%**

**US\$37.0/lb ASP**

*3.4% above average spot*

**C1 Cash Cost US\$29/lb**

*US\$26.03/lb June Quarter 2015*

**US\$1.8M Gross Profit**

**US\$94.9M** *increase in*  
*cash on hand to* **US\$183.7M**


- ✓ **Bicarbonate Recovery Plant (BRP) implemented and operating 118% of design<sup>1</sup>**
- ✓ **Completion of 25% equity sale in LHM to CNNC for US\$190M**
- ✓ **15% strategic investment by HOPU**
- ✓ **2020 CB Issue and repayment of 2015 CB**

<sup>1</sup> Based on Q4, the first full quarter of production



# FY2015 Profit & Loss




  
**Sales revenue US\$198.6M**  
5.367Mlb sold at average  
realised price of US\$37.0/lb  
**Down 38%**

  
**Gross Profit US\$1.8M**  
Turnaround from FY2014  
Gross Loss of US\$65.1M

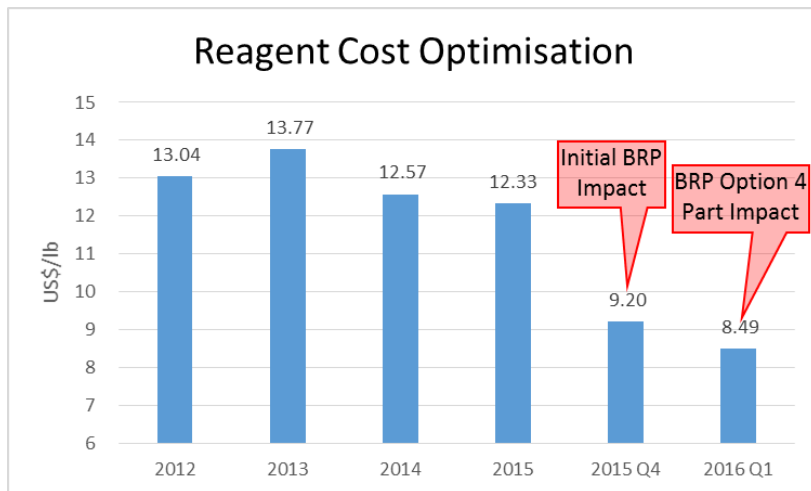
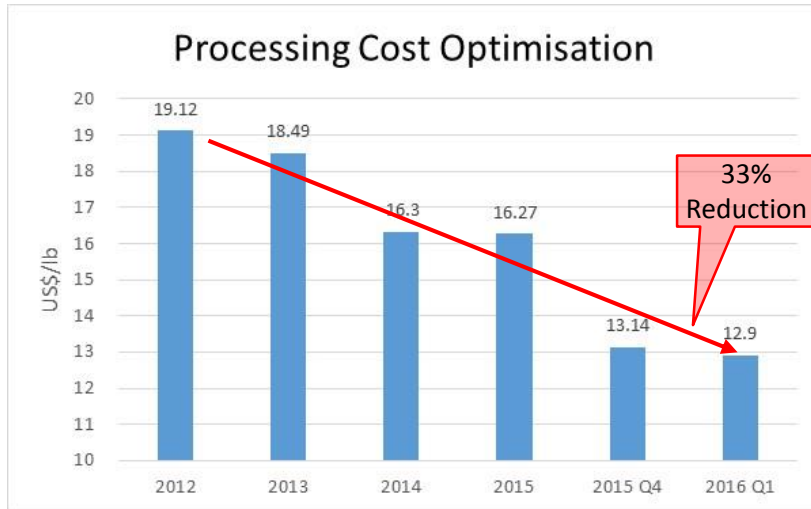
  
**Impairments of US\$193.1M  
(after tax)**  
US\$180.8M write down of  
Queensland exploration assets

  
**Finance costs US\$57.0M**  
**Down 5%**

  
**Admin, marketing and  
non-production  
costs of US\$19.3M**  
**Down 12%**

  
**Exploration  
expenditure US\$5.7M**  
**Down 30%**

# Optimisation a Core Competency



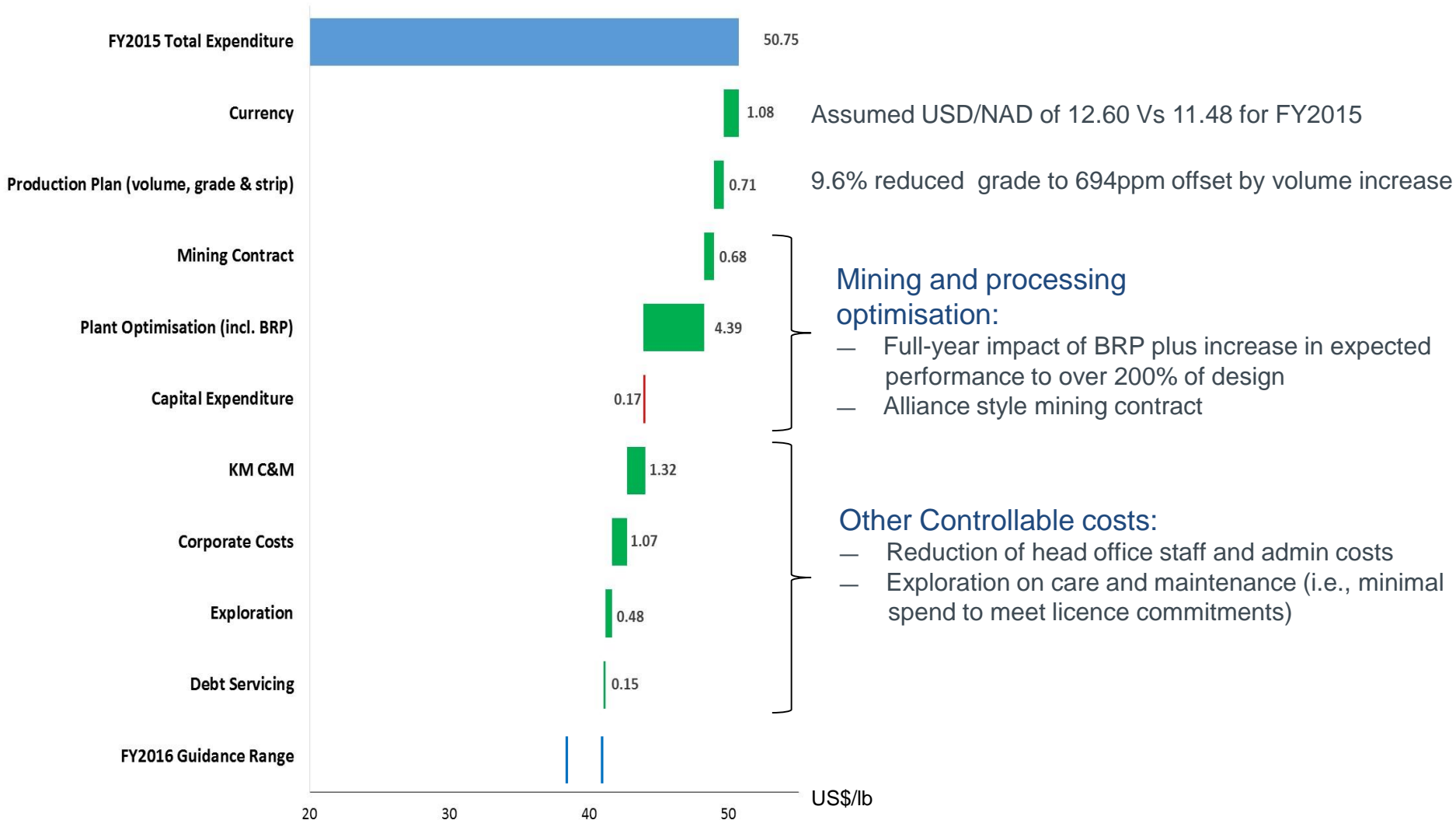
- Paladin maintains a world class technical services team focused on cash flow optimisation
- BRP Enhancement 4 now operational
  - ✓ Capital Cost of additional <US\$100k of our original capital cost of US\$6.8M
  - ✓ Recovery of sodium bicarbonate now exceeds 200% of design
  - ✓ Total operating cost saving now >US\$6/lb (>US\$30Mpa)
  - ✓ Additional secondary benefits

# Optimisation a Core Competency

## FY2016 Cash Flow Optimisation Initiatives



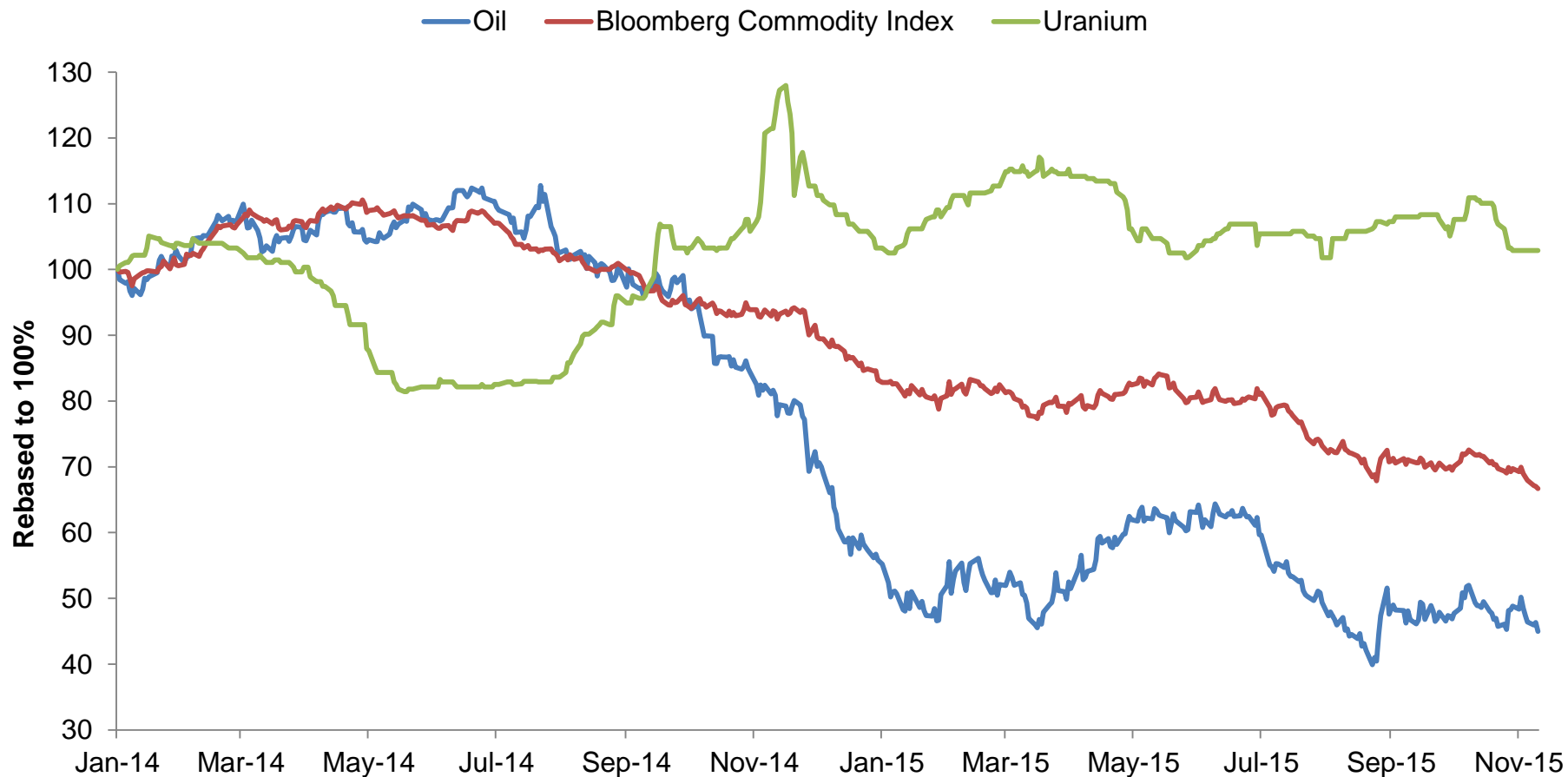
All in total expenditure including annualised impact and optimisation initiatives<sup>1</sup>



<sup>1</sup>Includes: Operating cash flows; investing cash flows; and debt servicing (including principal and interest payments on the LHM syndicated facility agreement)

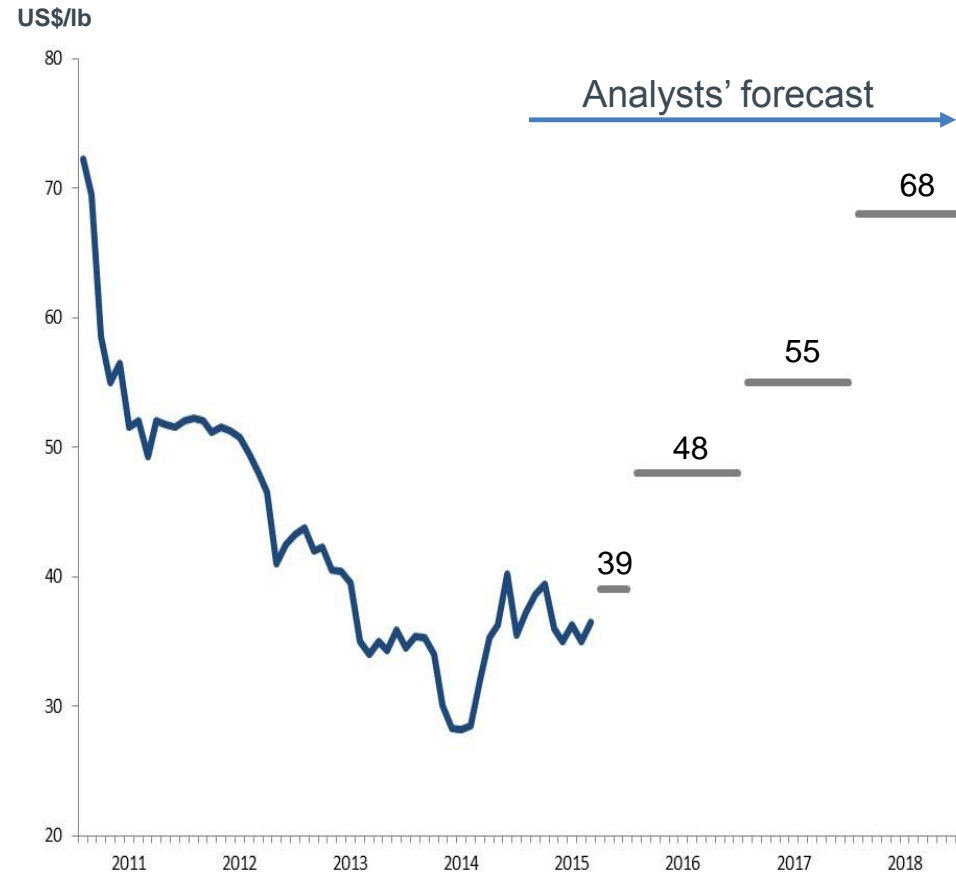
# Best Leverage to Uranium Upside

*Uranium is not affected by recent commodity rout*



# Best Leverage to Uranium Upside

*Uranium has a positive outlook and Paladin has leverage*



Source: TradeTech for historical spot. Analysts' forecast is based on average of 16 analyst forecasts as shown in latest available reports (analysts include: BAML; BMO; Cantor; CIBC; CIMB; Cormark; CS; Dundee; JPM; Raymond James; RBC; RFC Ambrian; Salman; Scotiabank; TD; and UBS).

- Current situation is positive
  - Japan 2 reactors restarted and 25 have applied to follow
  - 2017 will see record nuclear power generation
  - 65 reactors under construction
    - 59% in Asia
  - Mined supply reduced 10% in 2014
  - Higher prices are needed
- Paladin is leveraged
  - Publicly-listed uranium pure play exposure
  - FY2016 85% spot-related exposure
  - FY2017 & FY2018 almost 100% spot related



## PALADIN

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



**5.0 - 5.4Mlbs  
Production**

**US\$4/lb**

*ASP Premium to spot*

**LHM C1 US\$25-27/lb**

*7-14% lower than FY2015*

**US\$19M corporate costs,  
KM care and maintenance  
and exploration**

*US\$14M lower than FY2015*

**Cash flow neutral  
for FY2016**

*Subsequent quarters to  
be cash flow positive*

**December Quarter**

- *Sales 1.5 - 1.7Mlb*
- *LHM C1 US\$25-27/lb*
- *Cash build to US\$110-120M*





# Proxy Votes 2015 Annual General Meeting



**1,149 proxies were received representing 37.05% of the issued capital**

	For	Against	Abstain	Open usable*	% of Issued Capital	Excluded Votes**
<b>Resolution 1</b>						
Re-election of Donald Shumka	574,674,092	54,369,240	2,619,718	5,229,908	37.05%	
<b>Resolution 2</b>						
Re-election of Peter Donkin	574,604,801	54,284,408	2,773,818	5,229,931	37.05%	
<b>Resolution 3</b>						
Re-election of Wendong Zhang	587,859,183	41,063,729	2,740,115	5,229,931	37.05%	
<b>Resolution 4</b>						
Renewal of Company's Proportional Takeover Provisions	626,800,513	2,237,252	2,613,166	5,237,528	37.05%	

*(proxy results for remaining resolutions continued over)*

\* *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 other than for Resolution 8 where the Chair intends to vote against.*

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

# Proxy Votes 2015 Annual General Meeting



*(continued from previous slide)*

	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Open usable*</b>	<b>% of Issued Capital</b>	<b>Excluded Votes**</b>
<b>Resolution 5</b>						
Approval of Employee Performance Share Rights Plan	566,846,780	39,391,171	1,349,922	5,159,131	35.65%	23,999,055
<b>Resolution 6</b>						
Approval of Contractors Performance Share Rights Plan	595,932,038	10,043,157	1,706,878	5,167,131	35.65%	23,999,055
<b>Resolution 7</b>						
Remuneration Report	540,023,703	84,940,837	2,610,000	5,172,793	35.65%	23,999,055
<b>Resolution 8 – if required</b>						
Holding a Spill Meeting	56,647,158	547,308,874	3,683,928	5,209,243	35.65%	23,999,055

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