PALADIN ENERGY LTD

ACN 061 681 098

Ref: 409017

10 May 2016

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

By Electronic Lodgement

Dear Sir/Madam

31 March 2016 Interim Financial Report and MD&A

Attached please find the Interim Financial Report for the nine months ended 31 March 2016 including News Release, Management Discussion and Analysis, Interim Financial Statements and Certifications as required in accordance with Canadian reporting requirements.

Yours faithfully
Paladin Energy Ltd

ALEXANDER MOLYNEUX
CEO

Level 4, 502 Hay Street, Subiaco, Western Australia 6008 Postal: PO Box 201, Subiaco, Western Australia 6904
Tel: +61 (8) 9381 4366 Fax: +61 (8) 9381 4978 Email: paladin@paladinenergy.com.au Website: www.paladinenergy.com.au

PALADIN ENERGY LTD

ACN 061 681 098

NEWS RELEASE

FINANCIAL REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2016 AND OUTLOOK

Perth, Western Australia – 10 May 2016: Paladin Energy Ltd ("Paladin" or "the Company") **(ASX:PDN / TSX:PDN)** announces the release of its Unaudited Consolidated Financial Report for the nine months ended 31 March 2016. The Unaudited Consolidated Financial Report is appended to this News Release.

HIGHLIGHTS

Operations

- **Langer Heinrich Mine (LHM) produced[1] 1.302Mlb U_3O_8 for the three months ended 31 March 2016, up 3% from the December 2015 quarter.**
- **Record low C1 unit cash cost of production[2] for the March 2016 quarter of US$24.13/lb (vs. guidance of US$23.00/lb to US$25.00/lb), a decrease of 5% from US$25.38/lb in the December 2015 quarter.**

Sales and revenue

- **Sales revenue of US$20.6M for the three months ended 31 March 2016, selling 0.595Mlb U_3O_8.**
- **Average realised uranium sales price for the quarter was US$34.67/lb U_3O_8 compared to the average TradeTech weekly spot price for the quarter of US$32.73/lb U_3O_8.**

Corporate

- **Underlying EBITDA[3] for the three months ended 31 March 2016 of negative US$0.8M, a US$5.4M improvement from a negative underlying EBITDA of US$6.2M for the three months ended 31 March 2015.**
- **Underlying all-in cash expenditure[4] per pound of uranium produced for the three months ended 31 March 2016 of US$31.60/lb, a decrease of 33% compared to the three months ended 31 March 2015 of US$46.87/lb.**
- **Repurchased an additional US$25M of Convertible Bonds due April 2017 to reduce outstanding amount to US$212M.**
- **Repaid and terminated the US$56.4M LHM Syndicated Facility.**
- **Cash and cash equivalents at 31 March 2016 of US$21.4M, a decrease of US$115.4M from US$136.8M at 31 December 2015. Guidance previously provided was for the 31 March 2016 cash balance to be in the range of US$100M to US$110M, with such guidance provided prior to the implementation of the Convertible Bond repurchase and the repayment of the LHM Syndicated**

[1] LHM production volumes and unit C1 cost of production include an adjustment to in-circuit inventory relating to leached uranium within process circuit.
[2] C1 cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term.
[3] EBITDA = The Company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) represents profit before finance costs, taxation, depreciation and amortisation, impairments, foreign exchange gains/losses, restructure costs and other income. EBITDA, which is non-IFRS information, is a widely used 'industry standard' term.
[4] Underlying All-In Cash Expenditure = total cash cost of production plus capital expenditure, KM care & maintenance expenses, corporate costs, exploration costs and debt servicing costs and repayments. Underlying All-In Cash Expenditure, which is a non-IFRS measure, is widely used in the mining industry as a benchmark to reflect operating performance.

Level 4, 502 Hay Street, Subiaco, Western Australia 6008 Postal: PO Box 201, Subiaco, Western Australia 6904
Tel: +61 (8) 9381 4366 Fax: +61 (8) 9381 4978 Email: paladin@paladinenergy.com.au Website: www.paladinenergy.com.au

Facility in the March quarter, which resulted in adjusted guidance pro-forma for those items of US$19M to US$29M.

Outlook

- **Issues with performance of water return sumps from LHM tailings storage facility no. 3 (TSF3) will likely result in the loss of approximately 150,000lb U_3O_8 production during the quarter to 30 June 2016 resulting in reduced annual production guidance and increased C1 cash cost guidance for the quarter.**
- **LHM TSF3 return water issue will not affect sales guidance or forecast 30 June 2016 cash balance.**
- **Key elements of current FY2016 guidance:**
  - **LHM production approximately 4.8Mlb U_3O_8 (vs. previous 5.0Mlb).**
  - **Weighted average sales price premium to spot of approximately US$4/lb (no change).**
  - **LHM C1 cash costs in the range of US$24/lb to US$26/lb (no change).**
- **All-in cash expenditure for the full-year FY2016 range of US$38/lb to US$40/lb (no change).**
- **Company continues to be on track to be cash flow neutral[5] excluding one-off restructuring costs and capital management or strategic initiatives for FY2016 full-year.**
- **Key elements of guidance for quarter to 30 June 2016 include:**
  - **Uranium sales in the range of 1.75Mlb to 2.10Mlb (no change).**
  - **C1 cash costs in the range of US$25/lb to US$27/lb. (vs. previous US$23/lb to US$25/lb).**
  - **Quarter-end cash balance in the range of US$45M to US$65M (no change).**

Results

(References below to 2016 and 2015 are to the equivalent three months ended 31 March 2016 and 2015 respectively).

Safety and sustainability

The Company's 12 month moving average Lost Time Injury Frequency Rate[6] (LTIFR) was 1.4 as compared to 2.1 at the end of the last quarter and 2.3 for the quarter to 31 March 2015. The Company achieved 635 Lost Time Injury (LTI) free days at the Kayelekera Mine (KM) and 51 LTI free days at the Langer Heinrich Mine (LHM) at the end of this quarter. One lost time injury occurred at LHM in this quarter.

Langer Heinrich Mine (LHM)

Langer Heinrich Mine (LHM) produced 1.302Mlb U_3O_8 for the three months ended 31 March 2016, up 6% from 2015.

- Ore milled of 981,083t, up 14% vs. 2015.
- Average plant feed grade of 705ppm U_3O_8, down 4% vs. 2015.
- Overall recovery of 85.5%, down 3% vs. 2015.
- Record low quarterly C1 cash cost of production of US$24.13/lb (vs. guidance of US$23.00/lb to US$25.00/lb).

[5] Excluding one-off restructuring and implementation costs of approximately US$6M and not taking into account any capital management or strategic initiatives, such as the repurchase of US$37M of the Convertible Bonds due April 2017.
[6] All frequency rates are per million personnel hours.

Kayelekera Mine (KM) remains on care and maintenance

- Quarterly activities at site focussed on water treatment and monitoring.
- Exploration in the March quarter continued the surface geophysical surveys, stream sediment sampling and geological mapping previously undertaken in areas around the mine.

Profit and Loss

Total sales volume for the quarter was 0.595Mlb U_3O_8 (2015: 0.440Mlb). Sales volumes are expected to fluctuate quarter-on-quarter due to the uneven timing of contractual commitments and resultant delivery scheduling to customers, and also fluctuations between U_3O_8 production and U_3O_8 drummed. Sales, U_3O_8 production and U_3O_8 drummed volumes, and inventories are expected to be comparable on an annualised basis.

Sales revenue for the quarter increased by 22% from US$17.1M in 2015 to US$20.8M in 2016, as a result of a 35% increase in sales volume, which was partially offset by a 9% decrease in realised sales price.

The average realised uranium sales price for the three months ended 31 March 2016 was US$34.67/lb U_3O_8 (2015: US$38.03/lb U_3O_8), compared to the TradeTech weekly spot price average for the quarter of US$32.73/lb U_3O_8.

Gross Profit for the quarter increased by 200% from US$0.7M in 2015 to US$2.1M in 2016.

Underlying EBITDA for the three months ended 31 March 2016 of negative US$0.8M, a US$5.4M improvement from a negative underlying EBITDA of US$6.2M for the three months ended 31 March 2015.

Net loss after tax attributable to members of the Parent for the quarter of US$15.1M (2015: Net loss US$12.6M).

Cash flow

Cash outflow from operating activities for the quarter was US$32.4M, primarily due to payments to suppliers and employees of US$35.3M and net interest paid of US$6.4M, which were partially offset by receipts from customers of US$9.5M.

Cash inflow from investing activities for the quarter totalled US$1.5M:

- receipt of US$2.0M, balance of the proceeds from the sale of aircraft;
- receipt of US$0.2M from sale of investments;
- partially offset by plant and equipment acquisitions of US$0.7M.

Cash outflow from financing activities for the quarter of US$84.6M is attributable to the repurchase of additional US$25M April 2017 Convertible Bonds for US$23.0M (excluding accrued interest), repayment of the entire US$56.4M remaining drawn under the LHM syndicated loan facility and US$5.2M distribution to CNNC by way of repayment of intercompany loans assigned to CNNC.

Cash position and capital management

Cash of US$21.4M at 31 March 2016 vs. adjusted guidance in the range of US$19M to US$29M, after adjusting for the implementation of the Convertible Bond repurchase and the repayment of the LHM Syndicated Facility in the March quarter.

Repurchased an additional US$25M of the US$237M Convertible Bonds due April 2017, during the quarter ended 31 March 2016, for approximately US$23.5M (including accrued interest). US$62M was repurchased in total during the nine-months for approximately US$57.5M (including accrued interest).

The documents comprising the Unaudited Consolidated Financial Report for the nine months ended 31 March 2016, including the Management Discussion and Analysis, Financial Statements and Certifications are attached and will be filed with the Company's other documents on Sedar (sedar.com) and on the Company's website (paladinenergy.com.au).

[5] Excluding one-off restructuring and implementation costs of approximately US$6M and not taking into account any capital management or strategic initiatives, such as the repurchase of US$37M of the Convertible Bonds due April 2017.
[6] All frequency rates are per million personnel hours.

Outlook

Uranium market

The TradeTech weekly spot price average for the March quarter was US$32.73/lb, a fall of 9% compared to the December 2015 quarter and a 14% decrease compared to the March 2015 quarter.

The uranium market continues to be impacted by demand reductions arising as a result of the March 2011 Fukushima accident. Units 3 and 4 of Kansai's Takahama NPP became the third and fourth Japanese reactors to re-start, however, positive progress was short-lived as a district court injunction caused operations to be suspended at both reactors in March. Kansai has appealed against the injunction, however, the reactors are likely to remain offline for several months during the legal process. In more positive news, in early April the Fukuoka High Court rejected an appeal seeking suspension of operations at Sendai 1 & 2. In addition, pre-service inspections have commenced at the Ikata 3 power plant, with July targeted for re-start of the reactor.

Nuclear power development in China continued with two additional reactors connected to the grid during the March quarter. China now has 32 reactors in operation and a further 22 units under construction. During the March quarter, China National Nuclear Corporation and China General Nuclear announced plans to construct four new reactors at inland sites. Development of inland projects had previously been on-hold following post-Fukushima safety reviews.

In February, South Africa announced definitive plans to embark on a nuclear power plant procurement process that seeks to add 9,600 MWe of nuclear energy to South Africa by 2030. In the Middle East, Abu Dhabi's ENEC reported substantive progress in the construction and testing of Units 1 & 2 of its Barakah NPP. Unit 1 is on schedule to commence operations in 2017.

Company strategy

Despite the Company's belief that a uranium industry turnaround is tentatively underway, its current strategies are focused on optimising actions to maximise cash flow whilst also prudently enacting capital management actions. Paladin's strategies are aimed at maximising shareholder value through the uranium price downturn whilst remaining positioned for a future normalisation of the uranium market and price. Key elements of the Company's strategy include:

- Maximising LHM operating cash flows through optimisation initiatives that preserve the integrity of the long-term life of mine plan.
- Maintaining KM and the Company's exploration assets on a minimal expenditure, care and maintenance basis.
- Minimise corporate and administrative costs.
- Progress strategic initiatives with respect to partnerships, strategic investment, funding and corporate transactions, that result in de-risking Paladin's funding structure or provide clear value accretion for shareholders.

Company outlook

During recent weeks, LHM experienced reduced performance from return water sumps located in TSF3. Such sumps typically provide approximately 50% of LHM's process plant water requirement. The reduced performance of the TSF3 return water sumps is mainly due to solids ingress into the pumps in those sumps as a result of a failure of the filtration blanket layers around them. LHM has drawn additional water from NamWater to the limit of the supply infrastructure and has also established temporary recovery equipment to source return water from the surface of TSF3, partially mitigating the problem whilst re-engineering of the TSF3 return water process has taken place. Some production losses have been experienced during April and for part of May. Overall, the Company expects the issue to have caused reduced production for the quarter ended 30 June 2016 and FY2016 of approximately 150,000lb.

The TSF3 return water issue results in the Company reducing its production guidance by the expected production losses and for an increase in guidance for LHM C1 cash costs for the quarter to 30 June 2016. However, the issue is not expected to impact other elements of guidance such as sales or the 30 June 2016 forecast cash balance.

Key relevant guidance items for FY2016 have been updated and include:

- LHM Production – Annual production guidance has been revised to be approximately 4.8Mlb.
- Sales price premium – The Company has a number of contracts for FY2016 with a fixed price element. Based on current spot uranium price, the Company would anticipate a weighted average premium of approximately US$4/lb for its FY2016 received selling price.
- LHM C1 cash costs – Under the Company's current operating plan C1 unit cash cost for the last quarter of FY2016 is expected to be in the range of US$25/lb to US$27/lb, which when combined with the first nine months performance results in a forecast FY2016 full-year average range of US$24/lb to US$26/lb.
- Corporate costs, exploration and KM – Guidance for combined expenditure on corporate costs, exploration and KM care and maintenance remains unchanged and is forecast to be approximately US$19M excluding one off costs associated with retrenchments and contract cancellations. This is a reduction of US$14M compared to FY2015.
- At the outset of the financial year, Paladin provided guidance to be cash flow neutral on an 'all in' basis at current spot uranium price and foreign exchange rates excluding one-off restructuring costs and capital management (e.g., convertible bond repurchases) or strategic initiatives. The Company continues to expect the remainder of FY16 to be cash generative and for it to achieve this guidance under current conditions, with the expectation that the all-in cash expenditure for the full-year FY16 will be in the range of US$38/lb to US$40/lb.

Key relevant guidance items for the quarter to 30 June 2016 include:

- Uranium Sales – Anticipated to be in the range of 1.75Mlb to 2.10Mlb U_3O_8.
- LHM C1 cash costs – Expected to be within the range of US$25/lb to US$27/lb.
- Cash and cash equivalents balance as at 30 June 2016 – Forecast to be in the range of US$45M to US$65M and then continue to build further into July 2016 as the company anticipates receiving more than one third of its FY16 sales receipts in the next 11-weeks due to the timing of deliveries and payments from customers.

Paladin has prepared its operating plan and budget for FY2017. The Company currently anticipates production in excess of 5.0Mlb for the coming financial year with cost reductions continuing, resulting in LHM C1 cash costs in the range of US$22.50/lb to US$24.50/lb and 'all in' company-wide expenditure falling into the range of US$29.50/lb to US$31.50/lb.

GENERALLY ACCEPTED ACCOUNTING PRACTICE

The news release includes non-GAAP performance measures: C1 cost of production, EBITDA, non-cash costs as well as other income and expenses. The Company believes that, in addition to the conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

DECLARATION

The information in this announcement that relates to minerals exploration and mineral resources is based on information compiled by David Princep BSc, P.Geo FAusIMM (CP) who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Princep is a full-time employee of Paladin Energy Ltd. Mr. Princep consents to the inclusion of the information in this announcement in the form and context in which it appears.

CONFERENCE CALL

Conference Call and Investor Update is scheduled for 07:30 Perth & Hong Kong, Wednesday 11 May 2016; 00:30 London, Wednesday 11 May 2016 and 19:30 Toronto, Tuesday 10 May 2016. Details are included in a separate news release dated 4 May 2016.

CONTACTS

For additional information, please contact:

Andrew Mirco
Investor Relations Contact (Perth)
Tel: +61-8-9423-8162 or Mobile: +61-409-087-171
Email: andrew.mirco@paladinenergy.com.au

PALADIN ENERGY LTD

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE NINE MONTHS ENDED

31 MARCH 2016

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The financial report covers the Group consisting of Paladin Energy Ltd (referred throughout as the Company or Paladin) and its controlled entities.

The following Management Discussion and Analysis ("MD&A") for Paladin Energy Ltd ("Company") and its controlled entities ("Group") should be read in conjunction with the Unaudited Consolidated Financial Statements for the nine months ended 31 March 2016. The effective date of this unaudited report is 10 May 2016.

The financial information presented in this MD&A has been extracted from the attached financial statements. For the purpose of preparing our MD&A, we consider the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in market price or value of our shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company, including public announcements, is available at www.paladinenergy.com.au.

Additional information relating to the Company and its operations, including the Company's Quarterly Activities Report for each of the periods ended 30 September 2015, 31 December 2015, and 31 March 2016 and the most recent Audited Annual Report for the year ended 30 June 2015 and other public announcements are available at www.paladinenergy.com.au.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates", "with an expectation of", "is expected", "are expected", or similar expressions that are forward looking statements. Forward looking statements include, without limitation, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Group may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Group. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of anticipated events.

OVERVIEW

The Group has two uranium mines in Africa[1], uranium exploration projects in Australia, Africa and Canada, and a strategy to become a major uranium mining house. The Company is incorporated under the laws of Western Australia with a primary share market listing on the Australian Securities Exchange ("ASX") and additional listings on the Toronto Stock Exchange ("TSX") in Canada; as well as the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

[1] Langer Heinrich Mine, Namibia (operating). Kayelekera Mine, Malawi (on care and maintenance).

The main activities and results during the three months ended 31 March 2016 were:

OPERATIONS*

- Langer Heinrich Mine (LHM) produced 1.302Mlb U_3O_8 for the three months ended 31 March 2016, up 3% from the last quarter.
  - Ore milled of 981,083t, up 9% vs. last quarter.
  - Average plant feed grade of 705ppm U_3O_8, down 1% vs. last quarter.
  - Overall recovery of 85.5%, down 3% vs. last quarter.
  - Record low quarterly C1 cash cost of production of US$24.13/lb (vs. guidance of US$23.00/lb to US$25.00/lb).

- Kayelekera Mine (KM) remains on care and maintenance.
  - Quarterly activities at site focussed on water treatment and monitoring.
  - Exploration in the March quarter continued the surface geophysical surveys, stream sediment sampling and geological mapping previously undertaken in areas around the mine.

- C1 cost of production:
  - LHM unit C1 cost of production for the quarter decreased by 5% from US$25.38/lb in the December 2015 quarter to US$24.13/lb in the March 2016 quarter due to higher production mentioned above.

- The Company is reviewing its annual production guidance for FY16, which was previously expected to be approximately 5.0Mlb U_3O_8. Annual production is more likely to be approximately 4.8Mlb due to the reduced production expected in the June quarter as a result of the TSF3 return water issue.

- The Company's 12 month moving average Lost Time Injury Frequency Rate (LTIFR) was 1.4 as compared to 2.1 at the end of the last quarter and 2.3 for the quarter to 31 March 2015. The Company achieved 635 Lost Time Injury (LTI) free days at the Kayelekera Mine (KM) and 51 LTI free days at the Langer Heinrich Mine (LHM) at the end of this quarter. One lost time injury occurred at LHM in this quarter, a truck driver sustained an eye injury when lime dust entered his eyes while offloading lime.

SALES AND REVENUE

- Sales revenue of US$20.6M for the quarter, selling 0.595Mlb U_3O_8 at an average price of US$34.67/lb U_3O_8 (vs. average spot price of US$32.73/lb). Sales revenue of US$121.9M for the nine-months, selling 3.094Mlb U_3O_8 at an average price of US$39.41/lb U_3O_8 (vs. average spot price of US$35.08/lb).

CORPORATE INITIATIVES

- Repurchased an additional US$25M of the US$237M Convertible Bonds due April 2017, during the quarter ended 31 March 2016, for approximately US$23.5M (including accrued interest). US$62M was repurchased in total during the nine-months for approximately US$57.5M (including accrued interest). Principal outstanding now reduced from US$274.0M to US$212.0M. Combined cash savings of approximately US$10.7M in avoided principal and coupon payments over the period to maturity of the Convertible Bonds.
- In March 2016, Paladin repaid the entire US$56.4M remaining drawn under the LHM Syndicated Facility and terminated it. Cash expenditure for the termination was approximately US$57.1M, which includes the principal outstanding plus accrued interest up to the date of termination.
- Subject to approval of final terms and key consents, Paladin intends to put a US$25.0M, 24-month revolving working capital facility in place at LHM. The purpose will be to provide a buffer facility that can be drawn in periods where LHM-level working capital requirements are in deficit, mainly due to the timing of sales receipts.

OTHER

- Underlying EBITDA for the three months ended 31 March 2016 of negative US$0.8M, a US$5.4M improvement from a negative underlying EBITDA of US$6.2M for the three months ended 31 March 2015.
- Underlying EBITDA for the nine months ended 31 March 2016 of US$16.2M, a US$44.1M turnaround from a negative underlying EBITDA of US$27.9M for the nine months ended 31 March 2015.
- Underlying all-in cash expenditure per pound of uranium production for the three months ended 31 March 2016 of US$31.60/lb, a decrease of 33% compared to the three months ended 31 March 2015 of US$46.87/lb.
- The TradeTech weekly spot price average for the March quarter was US$32.73/lb, a fall of 9% compared to the December 2015 quarter and a 14% decrease compared to the March 2015 quarter.
- Nuclear power development in China continued with two additional reactors connected to the grid during the March quarter.
- At 31 March 2016, the Group's cash and cash equivalents were US$21.4M, a decrease of US$115.4M from US$136.8M at 31 December 2015. Guidance previously provided was for the 31 March 2016 cash balance to be in the range of US$100M to US$110M, with such guidance provided prior to the implementation of the Convertible Bond repurchase and the repayment of the LHM Syndicated Facility in the March quarter, which resulted in adjusted guidance pro-forma for those items of US$19M to US$29M.
- Company continues to be on track to be cash flow neutral on an 'all in' basis at current spot uranium price and foreign exchange rates excluding one-off restructuring costs and capital management or strategic initiatives for FY16 full-year.

* LHM production volumes and unit C1 cost of production for the quarters ended December 2014, September 2014, June 2014, March 2014 and December 2013 include an adjustment to in-circuit inventory relating to leached uranium within the process circuit.

NON IFRS MEASURES

C1 cost of production

C1 cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is a non-IFRS measure, is a widely used 'industry standard' term. We use this measure as a meaningful way to compare our performance from period to period. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. C1 cost information (unaudited) has been extracted from the financial statements. For an analysis of total cost of sales refer to Note 11 to the financial statements. Refer to page 10 for reconciliation.

Underlying EBITDA

The Company's Earnings Before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA) represents profit before finance costs, taxation, depreciation and amortisation, impairments, foreign exchange gains/losses, restructure costs and other income. As the mining industry is a capital-intensive industry, capital expenditures, the level of gearing and finance costs may have a significant impact on the net profit of companies with similar operating results. Therefore, the Company believes underlying EBITDA may be helpful in analysing the operating results of a mining company like itself. Although underlying EBITDA is widely used in the mining industry as a benchmark to reflect operating performance, financing capability and liquidity, it is not regarded as a measure of operating performance and liquidity under IFRS. Refer to page 9 for reconciliation.

Underlying All-In Cash Expenditure per Pound

Underlying All-In Cash Expenditure = total cash cost of production plus capital expenditure, KM care & maintenance expenses, corporate costs, exploration costs and debt servicing costs and mandatory repayments. Underlying All-In Cash Expenditure, which is a non-IFRS measure, is widely used in the mining industry as a benchmark to reflect operating performance. We use this measure as a meaningful way to compare our performance from period to period as it provides a more comprehensive view of costs than the cash cost approach. Refer to page 11 for reconciliation.

FINANCIAL RESULTS

	% Change from 2015 to 2016	THREE MONTHS ENDED 31 MARCH 2016	2015	2014
Production volume (Mlb)	6%	1.302	1.234	2.160
Sales volume (Mlb)	35%	0.595	0.440	2.405
Realised sales price (US$/lb)	(9)%	34.67/lb	38.03/lb	36.82/lb
		US$M	**US$M**	**US$M**
Revenue	22%	20.8	17.1	88.6
Cost of Sales	(14)%	(18.7)	(16.4)	(87.0)
Gross profit	**200%**	**2.1**	**0.7**	**1.6**
Impairments	(100)%	(0.3)	-	-
Loss after tax attributable to members of the Parent	**(20)%**	**(15.1)**	**(12.6)**	**(19.9)**
Other comprehensive loss for the period, net of tax		18.9	(36.6)	8.9
Total comprehensive loss attributable to the members of the parent	**108%**	**3.8**	**(49.2)**	**(11.0)**
Loss per share - basic & diluted (US cents)	(13)%	(0.9)	(0.8)	(2.0)

References below to 2016 and 2015 are to the equivalent three months ended 31 March 2016 and 2015 respectively.

Revenue increased by 22%, due to a 35% increase in sales volume, which was partially offset by a 9% decrease in realised sales price. There were no sales from KM (2015: Nil, 2014: 1.000Mlb). The last of KM finished goods were sold in December 2014.

Gross Profit in 2016 of US$2.1M is higher than the gross profit in 2015 of US$0.7M due to a 35% increase in sales volume.

Impairments of US$0.3M were recognised in 2016 (2015: US$Nil), relating to the impairment of the investment in Deep Yellow Ltd (DYL).

Loss after Tax Attributable to the Members of the Parent for 2016 of US$15.1M is higher than the loss of US$12.6M in 2015, and is predominantly due to a lower income tax benefit of US$1.6M (2015: income tax benefit US$8.5M) which has arisen as a result of deferred tax recognised on foreign exchange temporary differences in Namibia, and the write off of US$2.6M in facility establishment costs relating to the repayment of the entire US$56.4M remaining drawn under the LHM syndicated loan facility (2015: US$0.2M). This has been partially offset by a US$1.4M increase in gross profit, a US$2.4M decrease in corporate and marketing costs, a decrease in KM care and maintenance expenses of US$0.7M, and a profit on convertible bonds buyback of US$0.8M.

Three Year Trend
Revenue has decreased by 77% since 2014 due to a 75% decrease in sales volume and a 6% decrease in realised sales price. Gross Profit in 2016 is US$0.5M higher than the gross profit in 2014 of US$1.6M. The gross profit in 2014 included a gross loss from KM of US$3.3M.

FINANCIAL RESULTS

	% Change from 2015 to 2016	**NINE MONTHS ENDED 31 MARCH 2016**	**2015**	**2014**
Production volume (Mlb)	(2)%	3.644	3.701	6.342
Sales volume (Mlb)	(14)%	3.094	3.601	6.853
Realised sales price (US$/lb)	13%	39.41/lb	34.80/lb	37.87/lb
		US$M	**US$M**	**US$M**
Revenue	(3)%	122.4	126.8	260.1
Cost of Sales	21%	(96.7)	(122.2)	(262.8)
Impairment – inventory	-%	-	-	(24.9)
Gross profit/(loss)	**459%**	**25.7**	**4.6**	**(27.6)**
Impairments	41%	(1.0)	(1.7)	(327.9)
Loss after tax attributable to members of the parent	**45%**	**(39.3)**	**(71.9)**	**(274.9)**
Other comprehensive loss for the period, net of tax		(11.6)	(104.2)	(11.2)
Total comprehensive loss attributable to the members of the parent	**71%**	**(50.9)**	**(176.1)**	**(286.1)**
Loss per share - basic & diluted (US cents)	58%	(2.3)	(5.5)	(26.7)

References below to 2016 and 2015 are to the equivalent nine months ended 31 March 2016 and 2015 respectively.

Revenue in 2016 decreased by 3%, mainly due to a 14% decrease in sales volume which has been partially offset by a 13% increase in realised sales price. There were no sales from KM (2015: 0.204Mlb, 2014: 2.775Mlb). The last of KM finished goods were sold in December 2014.

Gross Profit in 2016 of US$25.7M is higher than the gross profit in 2015 of US$4.6M due to a 13% increase in realised sales price, which was partially offset by a 14% decrease in sales volume.

Impairments of US$1.0M were recognised in 2016 (2015: US$1.7M), comprising of a US$0.3M impairment of the aircraft ahead of its sale in January 2016 and US$0.7M (2014: US$1.7M) relating to the impairment of the investment in DYL.

Loss after Tax Attributable to the Members of the Parent for 2016 of US$39.3M is lower than the loss of US$71.9M in 2015, and is predominantly due to the US$21.1M increase in gross profit, a US$6.6M decrease in corporate and marketing costs, a decrease in KM care and maintenance expenses of US$3.8M, a profit on convertible bonds buyback of US$2.2M, which have been partially offset by restructure costs of US$4.7M (2015: US$Nil), write off of US$2.9M in facility establishment costs relating to the repayment of the entire US$56.4M remaining drawn under the LHM syndicated loan facility (2015: US$0.5M) and a higher income tax expense of US$13.7M (2015: US$11.9M) which has arisen as a result of deferred tax recognised on foreign exchange temporary differences in Namibia.

Segment Information
The Namibian segment profit of US$7.8M is a turnaround from the loss in 2015 of US$24.0M, due mainly to due to a 13% increase in realised sales price and a 21% decrease in total cost of sales, which was partially offset by a 14% decrease in sales volume. The Malawian segment loss decreased by US$7.0M as a result of lower care and maintenance costs. Exploration activities loss

has decreased by US$1.0M predominantly due to the 2015 write off of all capitalised costs (US$1.4M) relating to the surrender of the licence of Spinifex Well. In the Unallocated portion, the Group reflected the remaining Income Statement activities, which for 2016 comprise mainly marketing, corporate, finance and administration costs. The loss (costs) in this area has decreased by US$2.6M through the various cost reduction initiatives.

Three Year Trend
Revenue has decreased by 53% since 2014, due to a 55% decrease in sales volume which was partially offset by a 4% increase in realised sales price. Gross profit in 2016 of US$25.7M is a turnaround from a US$27.6M gross loss in 2014 due to there being no impairment of inventory, stores and consumables in 2016 (2015: US$24.9M impairment of KM inventory, stores and consumables). In addition, the gross loss in 2014 included a gross loss before impairments from KM of US$10.4M.

UNDERLYING EBITDA

		THREE MONTHS ENDED 31 MARCH		NINE MONTHS ENDED 31 MARCH	
	Note	**2016 US$M**	**2015 US$M**	**2016 US$M**	**2015 US$M**
Profit/(loss) before interest and tax		(3.9)	(7.3)	12.1	(24.6)
Depreciation and amortisation	**11**	2.9	2.8	14.7	22.3
Impairment loss reversed on sale of inventory	**11**	(0.8)	(0.6)	(7.1)	(23.9)
Foreign exchange loss/(gain)	**11**	0.6	(1.1)	(9.2)	(4.2)
Restructure costs	**11**	0.1	-	4.7	-
Impairment of assets	**11**	0.3	-	1.0	3.1
Gain on disposal of investment	**11**	-	-	-	(0.6)
Underlying EBITDA		**(0.8)**	**(6.2)**	**16.2**	**(27.9)**

Underlying EBITDA has improved by US$5.4M for the three months ended 31 March 2016.

Underlying EBITDA has improved by US$44.1M for the nine months ended 31 March 2016.

ANALYSIS OF REALISED SALES PRICE AND SALES & PRODUCTION VOLUMES

	THREE MONTHS ENDED 31 MARCH			NINE MONTHS ENDED 31 MARCH		
	% Change	**2016 US$**	**2015 US$**	**% Change**	**2016 US$**	**2015 US$**
LHM realised uranium sales price	(9)%	US$34.67/lb	US$38.03/lb	13%	US$39.41/lb	US$34.92/lb
KM realised uranium sales price	-	-	-	(100)%	-	US$32.77/lb
Group realised uranium sales price	**(9)%**	**US$34.67/lb**	**US$38.03/lb**	**13%**	**US$39.41/lb**	**US$34.80/lb**
		Mlb U_3O_8	**Mlb U_3O_8**		**Mlb U_3O_8**	**Mlb U_3O_8**
LHM sales volume	35%	0.595	0.440	(9)%	3.094	3.397
KM sales volume	-	-	-	(100)%	-	0.204
Total sales volume	**35%**	**0.595**	**0.440**	**(14)%**	**3.094**	**3.601**
LHM production	**6%**	**1.302**	**1.234**	**(2)%**	**3.644**	**3.701**

The average realised uranium sales price for the three months ended 31 March 2016 was US$34.67/lb U_3O_8 compared to the TradeTech weekly spot price average for the quarter of US$32.73/lb U_3O_8.

The average realised uranium sales price for the nine months ended 31 March 2016 was US$39.41/lb U_3O_8 compared to the TradeTech weekly spot price average for the nine months of US$35.08/lb U_3O_8.

RECONCILIATION OF C1 COST OF PRODUCTION TO COST OF GOODS SOLD

	THREE MONTHS ENDED 31 MARCH 2016			THREE MONTHS ENDED 31 MARCH 2015		
	LHM	**KM**	**TOTAL**	**LHM**	**KM**	**TOTAL**
Volume Produced (Mlb)	*1.302*	-	*1.302*	*1.234*	-	*1.234*
Cost of Production/lb (C1)	*US$24.13/lb*	-		*US$29.42/lb*	-	
	US$M	US$M	US$M	US$M	US$M	US$M
Cost of Production (C1)	31.4	-	31.4	36.3	-	36.3
Depreciation & amortisation	5.9	-	5.9	6.3	-	6.3
Production distribution costs	1.1	-	1.1	1.2	-	1.2
Royalties	0.6	-	0.6	0.4	-	0.4
Inventory movement	(20.3)	-	(20.3)	(27.6)	-	(27.6)
Other	-	-	-	(0.2)	-	(0.2)
Cost of goods sold	**18.7**	**-**	**18.7**	**16.4**	**-**	**16.4**

The C1 cost of production for the three months ended 31 March 2016 for LHM decreased by 18% to US$24.13/lb U_3O_8 (2015: US$29.42/lb U_3O_8); and, total C1 cost of production for the quarter decreased by 13%, to US$31.4M. Production ceased at KM on 6 May 2014.

	NINE MONTHS ENDED 31 MARCH 2016			NINE MONTHS ENDED 31 MARCH 2015		
	LHM	**KM**	**TOTAL**	**LHM**	**KM**	**TOTAL**
Volume Produced (Mlb)	*3.644*	-	*3.644*	*3.701*	-	*3.701*
Cost of Production/lb (C1)	*US$25.65/lb*	-		*US$30.17/lb*	-	
	US$M	US$M	US$M	US$M	US$M	US$M
Cost of Production (C1)	93.5	-	93.5	111.6	-	111.6
Depreciation	17.1	-	17.1	18.8	-	18.8
Production distribution costs	2.4	-	2.4	4.1	-	4.1
Royalties	3.7	-	3.7	3.7	-	3.7
Inventory movement	(20.0)	-	(20.0)	(22.2)	6.8	(15.4)
Other	-	-	-	(0.6)	-	(0.6)
Cost of goods sold	**96.7**	**-**	**96.7**	**115.4**	**6.8**	**122.2**

The unit C1 cost of production for the nine months for LHM decreased by 15% to US$25.65/lb U_3O_8 (2015: US$30.17/lb U_3O_8); and, total C1 cost of production decreased by 16%, to US$93.5M. Production ceased at KM on 6 May 2014.

ANALYSIS OF UNDERLYING ALL-IN CASH EXPENDITURE PER POUND OF URANIUM PRODUCTION

	% Change	THREE MONTHS ENDED 31 MARCH		% Change	NINE MONTHS ENDED 31 MARCH	
		2016 US$/lb	2015 US$/lb		2016 US$/lb	2015 US$/lb
LHM – C1 cost of production	**18%**	24.13	29.42	**15%**	25.65	30.17
Mining – (decrease)/increase in ore stockpiles		(2.83)	1.07		(1.18)	2.16
Royalties		0.48	0.31		1.02	1.00
Product distribution costs		0.79	0.98		0.64	1.12
Commercial & administration – non production		0.58	1.51		0.84	1.54
Social development		0.06	0.07		0.05	0.07
LHM – total cash cost of production	**30%**	23.21	33.36	**25%**	27.02	36.06
Capex		0.26	1.45		0.58	2.31
LHM – total cash cost of production after capex	**33%**	23.47	34.81	**28%**	27.60	38.37
KM – care & maintenance expenses		1.99	2.69		2.00	3.33
Corporate costs		0.89	2.78		1.35	2.60
Exploration costs		0.27	0.80		0.76	1.03
Debt servicing costs & mandatory repayments		4.98	5.79		7.00	7.30
Underlying all-in cash expenditure	**33%**	**31.60**	**46.87**	**26%**	**38.71**	**52.63**

Underlying all-in cash expenditure per pound of uranium production for the three months ended 31 March 2016 was US$31.60/lb, a decrease of 33% compared to the three months ended 31 March 2015 of US$46.87/lb.

Underlying all-in cash expenditure per pound of uranium production for the nine months ended 31 March 2016 was US$38.71/lb, a decrease of 26% compared to the nine months ended 31 March 2015 of US$52.63/lb.

ANALYSIS OF ADMINISTRATION, MARKETING & NON-PRODUCTION COSTS

	% Change	THREE MONTHS ENDED 31 MARCH 2016 US$M	2015 US$M	% Change	NINE MONTHS ENDED 31 MARCH 2014 US$M	2013 US$M
Total	**49%**	**(2.3)**	**(4.5)**	**13%**	**(12.8)**	**(14.7)**

Costs for the three months ended 31 March 2016 decreased by US$2.2M, due to a US$2.4M decrease in corporate and marketing costs which was partially offset by restructure costs of US$0.1M.

Costs for the nine months ended 31 March 2016 decreased by US$1.9M, due to a US$6.6M decrease in corporate and marketing costs which was partially offset by restructure costs of US$4.7M.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

		2016 Mar Qtr	**2015 Dec Qtr**	**2015 Sep Qtr**	**2015 Jun Qtr**
LHM					
Production U_3O_8	**Mlb**	1.302	1.259	1.083	1.336
C1 cost of production	**US$/lb**	24.13	25.38	27.82	26.03
Underlying all-in cash expenditure	**US$/lb**	31.60	39.58	46.25	45.48
Total revenues	**US$M**	20.8	64.6	37.0	73.9
Sales volume	**Mlb**	0.595	1.699	0.800	1.766
Realised uranium sales price	**US$/lb**	34.67	37.90	46.12	41.49
Impairments	**US$M**	(0.3)	(0.7)	-	(247.7)
Loss after tax attributable to members	**US$M**	(15.1)	(7.8)	(16.4)	(195.9)
Basic and diluted loss per share	**US cents**	(0.9)	(0.5)	(1.0)	(11.7)
Underlying EBITDA	**US$M**	(0.8)	10.6	6.4	6.8

		2015 Mar Qtr	**2014 Dec Qtr**	**2014 Sep Qtr**	**2014 Jun Qtr**
LHM					
Production U_3O_8*	**Mlb**	1.234	1.377	1.090	1.416
C1 cost of production*	**US$/lb**	29.42	28.58	33.03	29.46
KM					
Production U_3O_8	**Mlb**	-	-	-	0.262
C1 cost of production	**US$/lb**	-	-	-	44.72
Underlying all-in cash expenditure	**US$/lb**	46.87	48.91	63.86	N/A
Total revenues	**US$M**	17.1	70.4	39.3	69.4
Sales volume	**Mlb**	0.440	1.911	1.250	1.812
Realised uranium sales price	**US$/lb**	38.03	36.43	31.16	38.24
Impairments	**US$M**	-	(1.7)	-	(40.6)
Loss after tax attributable to members	**US$M**	(12.6)	(20.5)	(38.8)	(63.5)
Basic and diluted loss per share	**US cents**	(0.8)	(1.7)	(3.8)	(6.2)
Underlying EBITDA	**US$M**	(6.2)	(6.6)	(15.1)	(5.2)

* LHM production volumes and unit C1 cost of production for the quarters ended December 2014, September 2014 and June 2014 include an adjustment to in-circuit inventory relating to leached uranium within the process circuit.

The unit C1 cost of production for LHM decreased 18% over the last year, from US$29.42/lb in the March 2015 quarter to US$24.13/lb in the March 2016 quarter, due to a combination of cost saving initiatives and a weaker Namibian dollar.

An LHM plant audit, by a recognised industry expert, on potential improvements to achieve greater plant reliability was received during the quarter and these improvements will be implemented in FY17.

Total revenue for the quarter ended March 2016 was higher than the comparative quarter, due to higher sales volumes which was partially offset by lower realised uranium prices. Total revenue for the quarters ended December 2015 and September 2015 were lower than the comparative quarters, due to lower sales volumes which was partially offset by higher realised uranium prices. Total revenue for the quarter ended June 2015 was higher than the comparative quarter, due to higher realised uranium prices, which was partially offset by lower sales volumes. Additionally, KM is on care and maintenance with production ceasing on 6 May 2014.

Certain Balance Sheet items are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION

	31 MARCH 2016 UNAUDITED US$M	30 JUNE 2015 AUDITED US$M	30 JUNE 2014 AUDITED US$M
Cash and cash equivalents	21.4	183.7	88.8
Inventories	246.8	231.6	238.3
Total assets	945.2	1,100.0	1,565.7
Interest bearing loans and borrowings	425.1	534.5	725.6
Total long-term liabilities	765.1	859.3	1,049.1
Net Assets	**154.4**	**198.3**	**432.4**

Cash and Cash Equivalents have decreased by US$162.3M, mainly as a result of the repurchase of US$62.0M of April 2017 Convertible Bonds for US$56.4M (excluding accrued interest), repayment of US$60.9M under the LHM syndicated loan facility, US$5.2M distribution to CNNC by way of repayment of loans assigned to CNNC, interest paid of US$21.5M and restructure costs of US$4.7M.

Inventories have increased by US$15.2M, predominantly due to an increase in the number of pounds of finished goods at 31 March 2016 as LHM produced 3.644Mlb and sold 3.094Mlb during the period.

Interest Bearing Loans and Borrowings have decreased by US$109.4M, primarily as a result of the repurchase of US$62.0M of April 2017 Convertible Bonds for US$56.4M, repayment of US$60.9M under the LHM syndicated loan facility, US$5.2M distribution to CNNC by way of repayment of intercompany loans assigned to CNNC, which has been partially offset by the non-cash accretion of the convertible bonds of US$10.2M.

Segment Assets: Namibian assets have decreased predominantly due to a decrease in cash and property, plant and equipment which was partially offset by an increase in inventory and debtors. Malawian assets have decreased predominantly as a result of a decrease in cash, due to KM is on care and maintenance. The Exploration segment assets have remained stable as a result of a decrease in the US dollar value of exploration assets, due to the weakening of the Canadian dollar currency against the US dollar, which was offset by the acquisition of the Carley Bore Uranium Deposit in Western Australia and capitalised exploration expenditure. In the Unallocated portion, assets decreased primarily due to a decrease in cash and cash equivalents, which included the repurchase of US$62.0M of April 2017 Convertible Bonds for US$56.4M (excluding accrued interest), the US$60.9M repayment of the LHM syndicated loan facility and restructure costs of US$4.7M.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 31 March 2016, was cash of US$21.4M (30 June 2015: US$183.7M). Any cash available to be invested is held with Australian banks with a minimum AA- Standard & Poor's credit rating over a range of maturities. Of this, US$17.8M is held in US dollars.

Cash flow – three months ended 31 March 2016

Net Cash Outflow from Operating Activities was US$32.4M in 2016 (2015: outflow US$6.8M), primarily due to payments to suppliers and employees of US$35.3M (2015: US$57.5M) and net interest paid of US$6.4M (2015: net interest received US$0.3M), which were partially offset by receipts from customers of US$9.5M (2015: US$50.6M).

Net Cash Inflow from Investing Activities was US$1.5M in 2016 and is due primarily to the receipt of the balance of the proceeds from the sale of the aircraft of US$2.0M and US$0.2M received from the sale of investments. This has been partially offset by plant and equipment acquisitions of US$0.7M at LHM. The net cash outflow of US$3.1M in 2015 was due to plant and equipment acquisitions of US$2.3M at LHM, as well as capitalised exploration expenditure of US$0.8M.

Net Cash Outflow from Financing Activities of US$84.6M in 2016 is attributable to the repurchase of US$25M April 2017 Convertible Bonds for US$23.0M (excluding accrued interest), repayment of the entire US$56.4M remaining drawn under the LHM syndicated loan facility and US$5.2M distribution to CNNC by way of repayment of intercompany loans assigned to CNNC. The net inflow in 2015 of US$146.0M is attributable to the net proceeds received from the convertible bonds issue of US$146.2M, partially offset by US$0.2M in equity capital raising costs.

Cash flow – nine months ended 31 March 2016

Net Cash Outflow from Operating Activities was US$35.4M in 2016 (2015: outflow US$47.2M), primarily due to payments to suppliers and employees of US$125.5M (2015: US$174.6M) and net interest paid of US$21.1M (2015: US$14.9M), which were partially offset by receipts from customers of US$111.6M (2015: US$142.6M).

Net Cash Outflow from Investing Activities was US$3.8M in 2016 and is due primarily to plant and equipment acquisitions of US$2.6M at LHM, as well as capitalised exploration expenditure of US$3.9M (including US$1.2M for the acquisition of the Carley Bore Uranium Deposit). This has been partially offset by US$2.5M received for the sale of the aircraft and US$0.2M received from the sale of investments. The net cash outflow of US$12.8M in 2015 was due primarily to plant and equipment acquisitions of US$9.7M, predominantly the BRP, nano-filtration equipment and spiral heat exchangers at LHM, as well as capitalised exploration expenditure of US$3.2M.

Net Cash Outflow from Financing Activities of US$122.5M in 2016 is attributable to the repurchase of US$62M April 2017 Convertible Bonds for US$56.4M (excluding accrued interest), repayment of US$60.9M under the LHM syndicated loan facility and US$5.2M distribution to CNNC by way of repayment of intercompany loans assigned to CNNC. The net inflow in 2015 of US$443.0M is attributable to the balance of the proceeds received from the sale of a 25% interest in LHM of US$170M, proceeds from the entitlement offer of US$119.7M and the share placement to HOPU of US$52.7M, and from the convertible bond issue of US$150M, which were partially offset by a US$35.4M repayment of the LHM project finance and syndicated loan facility, US$1.5M in syndicated loan facility establishment costs, US$3.0M in costs attributable to sale of the non controlling interest in LHM, US$5.7M in equity capital raising costs and US$3.8M in convertible bond raising costs.

GOING CONCERN

As at 31 March 2016, the Group had a net working capital surplus of US$102.5M (30 June 2015: US$231.8M), including cash on hand of US$21.4M (30 June 2015: US$183.7M). Included within this cash on hand is US$0.6M (30 June 2015: US$31.2M), which is restricted for use in respect of supplier guarantees provided by LHM, (30 June 2015: restricted for use in respect of the LHM syndicated loan facility and supplier guarantees provided by LHM).

The syndicated loan facility was repaid in full on 31 March 2016.

Repayment obligations during the next twelve months to 31 March 2017 in respect of interest bearing loans and borrowings are summarised as follows:

- interest payments of US$23.2M for the 2012 (due 2017) and 2015 (due 2020) unsecured convertible bonds.

The Board of Directors is currently reviewing a range of financing options. Financing is expected to be finalised within the short term to allow the repayment of the US$212M unsecured convertible bonds maturing on 30 April 2017. At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore, whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The following is a summary of the Group's outstanding expenditure commitments as at 31 March 2016:

Payments due by period	Total US$M	Less than 1 yr US$M	1 to 5yrs US$M	5yrs+ or Unknown US$M
Tenements	21.0	0.9	9.4	10.7
Operating leases	1.9	0.4	1.5	-
Mining, transport and reagents	15.8	14.3	1.5	-
Manyingee acquisition costs	0.6	-	-	0.6
Total commitments	**39.3**	**15.6**	**12.4**	**11.3**

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A$0.75M (US$0.57M) by the Group to the vendors when all project development approvals are obtained.

The Group has no other material off balance sheet arrangements.

(All figures are in US dollars unless otherwise indicated)

OUTSTANDING SHARE INFORMATION

As at 10 May 2016, Paladin had 1,712,716,422 fully paid ordinary shares issued. The following table sets out the fully paid ordinary shares and those issuable under the Group Employee Performance Share Rights Plan and in relation to the Convertible Bonds:

As at 10 May 2016	Number
Ordinary shares	1,712,716,422
Issuable under Employee Performance Share Rights Plan	-
Issuable under Performance Share Rights Plan (SARs)*	1,342,083
Issuable under Executive Share Option Plan	3,000,000
Issuable in relation to the US$212 million Convertible Bonds	115,846,995
Issuable in relation to the US$150 million Convertible Bonds	421,348,315
Total	**2,254,253,815**

*The number of ordinary shares ultimately issuable upon vesting of the Share Appreciation Rights will vary as the number of ordinary shares to be issued is based upon Paladin's relative share price growth over the relevant vesting periods. The number disclosed in the table above is based on the closing share price at 9 May 2016 of A$0.24.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Unaudited Financial Report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the following: carrying value or impairment of inventories, financial investments, property, plant and equipment, intangibles, mineral properties and deferred tax assets; carrying value of rehabilitation, mine closure, sales contracts provisions and deferred tax liabilities; and the calculation of share-based payments.

FINANCIAL INSTRUMENTS

At 31 March 2016, the Group has exposure to interest rate risk, which is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate project finance debt or opportunity losses that may arise on fixed rate convertible bonds in a falling interest rate environment. Interest rate risk on cash and short-term deposits is not considered to be a material risk due to the historically low US dollar interest rates of these financial instruments.

The Group has no significant monetary foreign currency assets or liabilities apart from Namibian Dollar cash, receivables, payables and provisions and Australian dollar cash and payables and Canadian Dollar payables.

The Group currently does not engage in any hedging or derivative transactions to manage uranium price movements, interest rate or foreign currency risks.

The Group's credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. The Group trades only with recognised, credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not material.

The Group's treasury function is responsible for the Group's capital management, including management of the long-term debt and cash as part of the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position, including cash flow forecasts, to determine the future capital management requirements. To ensure sufficient funding for operational expenditure and growth activities, a range of assumptions are modelled so as to provide the flexibility in determining the Group's optimal future capital structure.

OTHER RISKS AND UNCERTAINTIES

Risk Factors

The Group is subject to other risks that are outlined in the Annual Information Form 51-102F2, which is available on SEDAR at sedar.com.

TRANSACTIONS WITH RELATED PARTIES

During the period ended 31 March 2016, no payments were made to Director-related entities. Directors of the Company receive fees as outlined in the Company's management circular forming part of the Company's Notice of AGM.

DISCLOSURE CONTROLS

The Group has applied its Disclosure Control Policy to the preparation of the Unaudited Consolidated Financial Report for period ended 31 March, associated Management Discussion and Analysis and Report to Shareholders. An evaluation of the Group's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

INTERNAL CONTROLS

The Group has designed appropriate Internal Controls over Financial Reporting (ICFR) and ensured that these were in place for the period ended 31 March 2016. An evaluation of the design of ICFR has concluded that it is adequate to prevent a material misstatement of the Group's Unaudited Consolidated Financial Report as at 31 March 2016.

During the year, the Group continued to have an internal audit function externally contracted to Deloitte Touche Tohmatsu. Internal audit reports and follow-up reviews were completed during the year and the Group continues to address their recommendations. The resultant changes to the ICFR have improved and will continue to improve the Group's framework of internal control in relation to financial reporting.

CHANGES IN ACCOUNTING POLICIES

The Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations effective from 1 July 2015. The nature and impact of each new standard and amendment is described in Note 2 – Basis of Preparation.

DESIGNATED FOREIGN ISSUER PURSUANT TO CANADIAN SECURITY LAWS

Pursuant to Canadian National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, Paladin Energy Ltd hereby discloses that it is a Designated Foreign Issuer as such term is defined in the Instrument and is subject to the regulatory requirements of Australian Securities laws and the rules and regulations of the Australian Securities Exchange.

SUBSEQUENT EVENTS

Since 31 March 2016, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
EXPRESSED IN US DOLLARS

	Notes	Three months ended 31 March 2016 US$M	Three months ended 31 March 2015 US$M	Nine months ended 31 March 2016 US$M	Nine months ended 31 March 2015 US$M
Revenue					
Revenue	10	20.8	17.1	122.4	126.8
Cost of sales	11	(18.7)	(16.4)	(96.7)	(122.2)
Gross profit		2.1	0.7	25.7	4.6
Other income	11	-	1.1	9.2	4.8
Exploration and evaluation expenses	19	(0.2)	(0.3)	(0.7)	(1.2)
Administration, marketing and non-production costs	11	(2.3)	(4.5)	(12.8)	(14.7)
Other expenses	11	(3.5)	(4.3)	(9.3)	(18.1)
(Loss)/profit before interest and tax		(3.9)	(7.3)	12.1	(24.6)
Finance costs	11	(13.4)	(15.0)	(37.0)	(44.5)
Net loss before income tax		**(17.3)**	**(22.3)**	**(24.9)**	**(69.1)**
Income tax benefit/(expense)	12	1.6	8.5	(13.7)	(11.9)
Net loss after tax		**(15.7)**	**(13.8)**	**(38.6)**	**(81.0)**
Attributable to:					
Non-controlling interests		(0.6)	(1.2)	0.7	(9.1)
Members of the parent		(15.1)	(12.6)	(39.3)	(71.9)
Net loss after tax		**(15.7)**	**(13.8)**	**(38.6)**	**(81.0)**
Loss per share (US cents)[1]					
Loss after tax from operations attributable to ordinary equity holders of the Company - basic and diluted (US cents)		(0.9)	(0.8)	(2.3)	(5.5)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN US DOLLARS

	Three months ended 31 March		Nine months ended 31 March	
	2016 US$M	**2015 US$M**	**2016 US$M**	**2015 US$M**
Net loss after tax from operations	**(15.7)**	**(13.8)**	**(38.6)**	**(81.0)**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Transfer of realised gains to other income on disposal of available-for-sale financial assets	-	-	-	(0.4)
Net loss on available-for-sale financial assets	(0.4)	(0.3)	(0.7)	(2.6)
Transfer of impairment loss on available-for-sale financial assets to income statement	0.4	-	0.7	1.7
Foreign currency translation	18.9	(36.4)	(11.6)	(103.3)
Income tax on items of other comprehensive income	-	0.2	-	0.5
Items that will not be subsequently reclassified to profit or loss:				
Foreign currency translation attributable to non-controlling interests	0.1	(1.5)	-	(5.6)
Other comprehensive loss for the period, net of tax	**19.0**	**(38.0)**	**(11.6)**	**(109.7)**
Total comprehensive loss for the period	**3.3**	**(51.8)**	**(50.2)**	**(190.7)**
Total comprehensive loss attributable to:				
Non-controlling interests	(0.5)	(2.6)	0.7	(14.6)
Members of the parent	3.8	(49.2)	(50.9)	(176.1)
	3.3	(51.8)	(50.2)	(190.7)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN US DOLLARS

	Notes	As at 31 March 2016 Unaudited US$M	As at 30 June 2015 Audited US$M
ASSETS			
Current assets			
Cash and cash equivalents	5	21.4	183.7
Trade and other receivables	13	22.5	9.5
Prepayments		3.2	2.9
Inventories	14	81.1	75.3
Assets classified as held for sale	15	-	2.8
TOTAL CURRENT ASSETS		128.2	274.2
Non current assets			
Trade and other receivables	13	0.6	0.6
Inventories	14	165.7	156.3
Other financial assets	16	1.7	2.6
Property, plant and equipment	17	260.5	273.7
Mine development	18	40.8	43.0
Exploration and evaluation expenditure	19	336.5	337.9
Intangible assets	20	11.2	11.7
TOTAL NON CURRENT ASSETS		817.0	825.8
TOTAL ASSETS		945.2	1,100.0
LIABILITIES			
Current liabilities			
Trade and other payables		23.6	30.4
Interest bearing loans and borrowings	6	-	8.5
Provisions	21	2.1	3.5
TOTAL CURRENT LIABILITIES		25.7	42.4
Non current liabilities			
Interest bearing loans and borrowings	6	329.2	427.3
Other interest bearing loans - CNNC	7	95.9	98.7
Deferred tax liabilities		61.6	47.9
Provisions	21	78.4	85.4
Unearned revenue	22	200.0	200.0
TOTAL NON CURRENT LIABILITIES		765.1	859.3
TOTAL LIABILITIES		790.8	901.7
NET ASSETS		**154.4**	**198.3**
EQUITY			
Contributed equity	8(a)	2,101.0	2,094.9
Reserves		49.7	61.1
Accumulated losses		(1,941.0)	(1,901.7)
Parent interests		209.7	254.3
Non-controlling interests		(55.3)	(56.0)
TOTAL EQUITY		**154.4**	**198.3**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS

	Contributed Equity US$M	Available for Sale Reserve US$M	Share-Based Payments Reserve US$M	Convertible Bond Non-Distrib-utable Reserve US$M	Foreign Exchange Revaluation Reserve US$M	Acquisition Reserve US$M	Option Application Reserve US$M	Consoli-dation Reserve US$M	Accumu-lated Losses US$M	Owners of the Parent US$M	Non-Controlling Interests US$M	Total US$M
Balance at 1 July 2014	**1,926.9**	**(3.6)**	**47.6**	**85.5**	**(38.4)**	**14.9**	**0.1**	**55.8**	**(1,633.9)**	**454.9**	**(22.5)**	**432.4**
Loss for the period	-	-	-	-	-	-	-	-	(71.9)	(71.9)	(9.1)	(81.0)
Other comprehensive income	-	(0.9)	-	-	(103.3)	-	-	-	-	(104.2)	(5.5)	(109.7)
Total comprehensive loss for the period, net of tax	-	(0.9)	-	-	(103.3)	-	-	-	(71.9)	(176.1)	(14.6)	(190.7)
Contributions of equity, net of transaction costs	166.7	-	-	-	-	-	-	-	-	166.7	-	166.7
Allotment of 15% interest in Paladin (Africa) to maintain Govt of Malawi's 15% ownership	-	-	-	-	-	-	-	(4.5)	-	(4.5)	4.5	-
Sale of 25% interest in Langer Heinrich to CNNC, net of costs	-	-	-	-	-	-	-	(3.0)	-	(3.0)	-	(3.0)
Convertible bond, equity component – net of transaction costs	-	-	-	16.1	-	-	-	-	-	16.1	-	16.1
Share-based payment	-	-	0.6	-	-	-	-	-	-	0.6	-	0.6
Vesting of performance rights	1.7	-	(1.7)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015	**2,095.3**	**(4.5)**	**46.5**	**101.6**	**(141.7)**	**14.9**	**0.1**	**48.3**	**(1,705.8)**	**454.7**	**(32.6)**	**422.1**
Balance at 1 July 2016	**2,094.9**	**(5.4)**	**46.4**	**94.3**	**(137.6)**	**14.9**	**0.1**	**48.4**	**(1,901.7)**	**254.3**	**(56.0)**	**198.3**
Loss for the period	-	-	-	-	-	-	-	-	(39.3)	(39.3)	0.7	(38.6)
Other comprehensive income	-	0.4	-	-	(12.0)	-	-	-	-	(11.6)	-	(11.6)
Total comprehensive loss for the period, net of tax	-	0.4	-	-	(12.0)	-	-	-	(39.3)	(50.9)	0.7	(50.2)
Share-based payment	5.9	-	0.4	-	-	-	-	-	-	6.3	-	6.3
Vesting of performance rights	0.2	-	(0.2)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2016	**2,101.0**	**(5.0)**	**46.6**	**94.3**	**(149.6)**	**14.9**	**0.1**	**48.4**	**(1,941.0)**	**209.7**	**(55.3)**	**154.4**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN US DOLLARS

	Three months ended 31 March		Nine months ended 31 March	
	2016 US$M	2015 US$M	2016 US$M	2015 US$M
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	9.5	50.6	111.6	142.6
Payments to suppliers and employees	(35.3)	(57.5)	(125.5)	(174.6)
Exploration and evaluation expenditure	(0.2)	(0.3)	(0.7)	(1.2)
Other income	-	0.1	0.3	0.9
Interest received	0.1	0.3	0.4	0.6
Interest paid	(6.5)	-	(21.5)	(15.5)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(32.4)	(6.8)	(35.4)	(47.2)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(0.7)	(2.3)	(2.6)	(9.7)
Proceeds from sale of property, plant and equipment	2.0	-	2.5	-
Proceeds from sale of investments	0.2	-	0.2	0.3
Payments for available-for-sale investments	-	-	-	(0.2)
Capitalised exploration expenditure	-	(0.8)	(3.9)	(3.2)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	1.5	(3.1)	(3.8)	(12.8)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loans and borrowings	(61.6)	-	(66.1)	(35.4)
Repurchase of convertible bonds	(23.0)	-	(56.4)	-
Syndicated loan facility establishment costs	-	-	-	(1.5)
Proceeds from sale of non controlling interest	-	-	-	170.0
Costs relating to sale of non controlling interest	-	-	-	(3.0)
Proceeds from issue of convertible bond	-	150.0	-	150.0
Convertible bond finance costs	-	(3.8)	-	(3.8)
Share placement	-	-	-	52.7
Proceeds from entitlement issue	-	-	-	119.7
Equity capital raising costs	-	(0.2)	-	(5.7)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	(84.6)	146.0	(122.5)	443.0
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(115.5)	136.1	(161.7)	383.0
Cash and cash equivalents at the beginning of the period	136.8	333.9	183.7	88.8
Effects of exchange rate changes on cash and cash equivalents	0.1	(0.4)	(0.6)	(2.2)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	21.4	469.6	21.4	469.6

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1. CORPORATE INFORMATION

The Interim Financial Report of the Group for the nine months ended 31 March 2016 was authorised for issue in accordance with a resolution of the Directors on 10 May 2016.

Paladin Energy Ltd is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the ASX, with additional listings on the Toronto Stock Exchange in Canada, the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe, as well as the Namibian Stock Exchange in Africa.

The Group's principal place of business is Hay Street, Subiaco, Western Australia. The nature of the operations and principal activities of the Group are described in the Management Discussion and Analysis on pages 3 to 18.

NOTE 2. BASIS OF PREPARATION

This unaudited general purpose condensed financial report for the nine months ended 31 March 2016 has been prepared in accordance with Australian Accounting Standards Board ("AASB") 134 *Interim Financial Reporting,* International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Act.

This unaudited financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this unaudited report is to be read in conjunction with the Audited Annual Report for the year ended 30 June 2015 and any public announcements made by Paladin during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The unaudited financial report is presented in United States dollars and all values are rounded to the nearest hundred thousand dollars (US$100,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission ("ASIC") Class Order 98/100. The Company is an entity to which the class order applies.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

New and amended accounting standards and interpretations

From 1 July 2015 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2015. The Group has not elected to early adopt any new accounting standards and interpretations.

New standards adopted by the Group include:

<u>AASB 2015-3 - Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</u>
AASB 2015-3: This standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

AASB 2015-3 has had no impact on the financial position and performance of the Group.

NOTE 3. GOING CONCERN

As at 31 March 2016, the Group had a net working capital surplus of US$102.5M (30 June 2015: US$231.8M), including cash on hand of US$21.4M (30 June 2015: US$183.7M). Included within this cash on hand is US$0.6M (30 June 2015: US$31.2M), which is restricted for use in respect of supplier guarantees provided by LHM, (30 June 2015: restricted for use in respect of the LHM syndicated loan facility and supplier guarantees provided by LHM).

The syndicated loan facility was repaid in full on 31 March 2016.

Repayment obligations during the next twelve months to 31 March 2017 in respect of interest bearing loans and borrowings are summarised as follows:

- interest payments of US$23.2M for the 2012 (due 2017) and 2015 (due 2020) unsecured convertible bonds.

The Board of Directors is currently reviewing a range of financing options. Financing is expected to be finalised within the short term to allow the repayment of the US$212M unsecured convertible bonds maturing on 30 April 2017. At the date of this report, the Directors are satisfied there are reasonable grounds to believe that, having regard to the Group's position and its available financing options, the Group will be able to meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore, whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTE 4. SEGMENT INFORMATION

Identification of reportable segments

The Company has identified its operating segments to be Exploration, Namibia and Malawi, on the basis of the nature of the activity and geographical location and different regulatory environments. The main segment activity in Namibia and Malawi[(1)] is the production and sale of uranium from the mines located in these geographic regions. The Exploration segment is focused on developing exploration and evaluation projects in Australia, Niger and Canada. Unallocated portion covers the Company's sales and marketing, treasury, corporate and administration.

Discrete financial information about each of these operating segments is reported to the Group's executive management team (chief operating decision makers) on at least a monthly basis.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the accounts and in the prior period. Inter-entity sales are priced with reference to the spot rate.

Corporate charges comprise non-segmental expenses such as corporate office expenses. A proportion of the corporate charges are allocated to Namibia and Malawi on the basis of timesheet allocations with the balance remaining in Unallocated.

The Group's customers are major utilities and other entities located mainly in USA, Australia, China, Taiwan and UK. These revenues are attributed to the geographic location of the mines being the reporting segments Namibia and Malawi.

(1) Currently on care and maintenance due to low uranium price. Production ceased on 6 May 2014.

NOTE 4. SEGMENT INFORMATION (continued)

The following tables present revenue, expenditure and asset information regarding operating segments for the nine months ended 31 March 2016 and 31 March 2015.

Nine months ended 31 March 2016	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	121.9	-	-	121.9
Other revenue	-	-	-	0.5	0.5
Total consolidated revenue	-	121.9	-	0.5	122.4
Cost of goods sold	-	(96.7)	-	-	(96.7)
Gross profit	-	25.2	-	0.5	25.7
Impairment of asset	-	-	-	(1.0)	(1.0)
Other income and expenses	(0.7)	6.2	(7.4)	(10.7)	(12.6)
Segment (loss)/profit before income tax and finance costs	(0.7)	31.4	(7.4)	(11.2)	12.1
Finance costs	-	(9.9)	(0.1)	(27.0)	(37.0)
Loss before income tax	(0.7)	21.5	(7.5)	(38.2)	(24.9)
Income tax expense	-	(13.7)	-	-	(13.7)
(Loss)/profit after income tax	(0.7)	7.8	(7.5)	(38.2)	(38.6)
At 31 March 2016					
Segment total assets	**339.1**	**588.7**	**5.1**	**12.3**	**945.2**

Nine months ended 31 March 2015	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	118.6	6.7	-	125.3
Other revenue	-	0.1	0.2	1.2	1.5
Total consolidated revenue	-	118.7	6.9	1.2	126.8
Cost of goods sold	-	(115.4)	(6.8)	-	(122.2)
Gross profit	-	3.3	0.1	1.2	4.6
Write off of exploration and evaluation	(1.4)	-	-	-	(1.4)
Impairment of asset	-	-	-	(1.7)	(1.7)
Other income and expenses	(1.1)	(1.7)	(12.9)	(10.4)	(26.1)
Segment (loss)/profit before income tax and finance costs	(2.5)	1.6	(12.8)	(10.9)	(24.6)
Finance costs	-	(7.6)	(1.7)	(35.2)	(44.5)
Loss before income tax	(2.5)	(6.0)	(14.5)	(46.1)	(69.1)
Income tax benefit/(expense)	0.8	(18.0)	-	5.3	(11.9)
Loss after income tax	(1.7)	(24.0)	(14.5)	(40.8)	(81.0)
At 30 June 2015					
Segment total assets	**340.9**	**622.8**	**12.6**	**123.7**	**1,100.0**

NOTE 5. CASH AND CASH EQUIVALENTS

	31 March 2016 US$M	30 June 2015 US$M
Cash at bank and on hand	2.2	3.1
Short-term bank deposits	19.2	180.6
Total cash and cash equivalents	**21.4**	**183.7**

Total cash and cash equivalents includes US$0.6M (30 June 2015: US$31.2M) restricted for use in respect of supplier guarantees provided by LHM, (30 June 2015: restricted for use in respect of the syndicated loan facility (refer to Note 6) and supplier guarantees provided by LHM).

NOTE 6. INTEREST BEARING LOANS AND BORROWINGS

Current	**Maturity**		
Secured bank loans		-	8.5
Total current interest bearing loans and borrowings		**-**	**8.5**
Non Current			
Unsecured convertible bonds(1)	2017	202.5	254.3
Unsecured convertible bonds(2)	2020	126.7	123.4
Secured bank loan	amortised to 2019	-	49.6
Total non current interest bearing loans and borrowings		**329.2**	**427.3**

The above figures include transaction costs which offset the balance in accordance with the requirements of Accounting Standards.

Unsecured convertible bonds

(1) On 30 April 2012, the Company issued US$274M in convertible bonds with a coupon rate of 6% (underlying effective interest rate of 10.68%) maturing on 30 April 2017 with a conversion price of US$1.83 for Company shares. During the nine months ended 31 March 2016, the Company repurchased a principal amount of US$62M thereby reducing the principal amount outstanding to US$212M. The cash expenditure for the repurchase was approximately US$57.5M (including accrued interest) as the bonds were bought back at an average price of 91.0 per cent.

(2) On 31 March 2015, the Company issued US$150M in convertible bonds with a coupon rate of 7% (underlying effective interest rate of 12.37%) maturing on 31 March 2020 with a conversion price of US$0.356 for Company shares.

In disclosing the convertible bonds in the Unaudited Consolidated Financial Statements, the Company has accounted for them in accordance with Australian Accounting Standards. Under these standards, the convertible bonds consist of both a liability (underlying debt) and equity component (conversion rights into Company shares).

NOTE 6. INTEREST BEARING LOANS AND BORROWINGS (continued)

Secured bank loans

Langer Heinrich Mine, Namibia - US$70M Syndicated Loan Facility was repaid in full on 31 March 2016. At 31 March 2016, US$Nil (30 June 2015: US$60.9M) was outstanding under the syndicated loan facility.

NOTE 7. OTHER INTEREST BEARING LOANS AND BORROWINGS - CNNC

Non Current	Maturity	31 March 2016 US$M	30 June 2015 US$M
Intercompany loan assigned to CNNC	2016 to 2020	95.9	98.7
		95.9	**98.7**

As part of the sale of a 25% interest in the Langer Heinrich mining operation, US$96M (representing 25%) of the intercompany shareholder loans owing by LHU to PFPL were assigned to CNNC under the same interest rate (LIBOR plus a margin between 2% and 4.25%) and conditions as those presently existing.

Pursuant to the intercompany shareholder loan agreements, repayment dates range from 2016 to 2021, however, under the Shareholders' Agreement between CNNC and PFPL, each shareholder has agreed not to demand repayment without the prior written consent of the other shareholder. As neither CNNC nor PFPL can demand repayment, the repayment of the loans can be deferred. Repayment is dependent on LHU generating sufficient free cash flows to repay the loans and the loans have not been guaranteed by Paladin Energy Ltd (Paladin). During the quarter ended 31 March 2016 a US$5.2M distribution was made by LHU to CNNC by way of a repayment of the intercompany loans assigned.

All loan repayments from LHU will be paid on a pro rata basis against the outstanding balances, (i.e. 75% to PFPL and 25% to CNNC).

On consolidation, PFPL's 75% share of the LHU intercompany shareholder loans are eliminated against the intercompany shareholder loans receivable recorded in PFPL and therefore, they do not appear on Paladin's unaudited consolidated statement of financial position. As a result of the consolidation of 100% of LHU's assets and liabilities, LHU's liability of US$95.9M to CNNC is recognised on the unaudited consolidated statement of financial position.

NOTE 8. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares	31 March 2016	30 June 2015	31 March 2016	30 June 2015
	Number of Shares		US$M	US$M
Issued and fully paid	1,712,716,422	1,666,927,668	2,101.0	2,094.9

(b) Movements in ordinary shares on issue

Date		Number of Shares	Issue A$	Exchange Price US$: A$	Total Rate US$M
Balance 30 June 2014		964,367,284			**1,926.9**
September 2014	Rights vested	390,950	-	-	-
September 2014	Rights vested	136,340	-	-	-
November 2014	Rights vested	857,544	-	-	-
November 2014	Share placement	144,862,817	0.42	1.15423	52.7
December 2014	Rights vested	1,003,238			
December 2014	Institutional entitlement offer	191,530,053	0.26	1.18827	41.9
December 2014	Retail entitlement offer	363,779,442	0.26	1.21563	77.8
	Transfer from share-based payments reserves				1.8
	Transaction costs				(6.2)
Balance 30 June 2015		**1,666,927,668** (1)			**2,094.9**
August 2015	Acquisition of Carley Bore Project	45,000,000	0.18	1.36273	5.9
September 2015	Rights vested	163,265	-	-	-
October 2015	Rights vested	78,047	-	-	-
December 2015	Rights vested	547,442	-	-	-
	Transfer from share-based payments reserve				0.2
Balance 31 March 2016		**1,712,716,422** (1)			**2,101.0**

(1) Includes 184 shares held by Paladin Employee Plan Pty Ltd.

EXPRESSED IN US DOLLARS

NOTE 8. CONTRIBUTED EQUITY (continued)

(c) Performance Share Rights

Issued unlisted employee share rights outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2016 Number	30 June 2015 Number
Number of unlisted employee share rights	-	788,754

(d) Options

Issued unlisted employee options outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2016 Number	30 June 2015 Number
Number of unlisted employee options	3,000,000	-

Consisting of the following:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
10 August 2015	10 August 2015	10 August 2018	A$0.07	A$0.20	1,000,000
10 August 2015	8 November 2015	8 November 2018	A$0.06	A$0.30	1,000,000
10 August 2015	23 December 2015	23 December 2018	A$0.06	A$0.40	1,000,000
Total					3,000,000

(e) Share Appreciation Rights (SARs)

Issued unlisted employee share appreciation rights outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2016 Number	30 June 2015 Number
Number of unlisted employee share appreciation rights	8,052,500	-

Consisting of the following:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 October 2015	1 November 2016	1 November 2021	A$0.13	A$0.20	3,718,750
20 October 2015	1 November 2017	1 November 2022	A$0.13	A$0.20	1,859,375
20 October 2015	1 November 2018	1 November 2023	A$0.13	A$0.20	1,859,375
3 March 2016	1 November 2016	1 November 2021	A$0.10	A$0.20	307,500
3 March 2016	1 November 2017	1 November 2022	A$0.10	A$0.20	153,750
3 March 2016	1 November 2018	1 November 2023	A$0.10	A$0.20	153,750
Total					8,052,500

NOTE 9. FINANCIAL INSTRUMENTS

Risk Management Activities

The risk management activities are consistent with those of the previous financial year unless otherwise stated.

Financial Instruments

Set out below is an overview of financial instruments held by the Group:

	As at 31 March 2016 Unaudited US$M	As at 30 June 2015 Audited US$M
Financial assets:		
Cash and cash equivalents	21.4	183.7
Trade and other receivables – at amortised cost	22.5	9.5
Total current	**43.9**	**193.2**
Trade and other receivables - at amortised cost	0.6	0.6
Available-for-sale financial assets - at fair value	1.7	2.6
Total non-current	**2.3**	**3.2**
Total	**46.2**	**196.4**
Financial liabilities:		
Trade and other payables - at amortised cost	23.6	30.4
Interest bearing loans and borrowings - at amortised cost	-	8.5
Total current	**23.6**	**38.9**
Interest bearing loans and borrowings - at amortised cost	329.2	427.3
Other interest bearing loans - CNNC - at amortised cost	95.9	98.7
Total non-current	**425.1**	**526.0**
Total	**448.7**	**564.9**

NOTE 9. FINANCIAL INSTRUMENTS (continued)

Fair Values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as at 31 March 2016:

	As at 31 March 2016		**As at 30 June 2015**	
	Carrying amount US$M	**Fair value US$M**	**Carrying amount US$M**	**Fair value US$M**
Financial liabilities				
Interest bearing loans and borrowings:				
- Secured bank loan	-	-	8.5(1)	9.1
Total current	-	-	8.5	9.1
Interest bearing loans and borrowings				
- Secured bank loan	-	-	49.6(1)	51.8
- Unsecured convertible bonds	329.2(1)	334.9(2)	377.7(1)	401.1(2)
Total non-current	329.2	334.9	427.3	452.9
Total	329.2	334.9	435.8	462.0

(1) This figure includes transaction costs, which offset the balance in accordance with the requirements of Accounting Standards.

(2) The fair value is calculated using quoted prices in an active market.

NOTE 9. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	As at 31 March 2016				As at 30 June 2015			
	Quoted market price (Level 1)	Valuation technique-market observable inputs (Level 2)	Valuation technique-non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation technique-market observable inputs (Level 2)	Valuation technique-non market observable inputs (Level 3)	Total
	US$M	US$M	US$M	US$M	US$M	US$M	US$M	US$M
Financial assets measured at fair value								
Available-for-sale investments								
Listed investments	1.7	-	-	1.7	2.6	-	-	2.6
	1.7	-	-	1.7	2.6	-	-	2.6
Financial liabilities for which fair values are disclosed								
Interest bearing loans and borrowings								
Floating rate borrowings[(1)]	-	-	-	-	-	60.9	-	60.9
Convertible bonds[(2)]	-	334.9	-	334.9	-	401.1	-	401.1
	-	334.9	-	334.9	-	462.0	-	462.0

(1) The fair value has been determined by discounting the future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
(2) The fair value has been determined using a valuation technique based on the quoted market price of the bonds less the equity component attributable to the conversion feature, which was valued using an option pricing model.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

NOTE 9. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 10. REVENUE

	Three months ended 31 March		**Nine months ended 31 March**	
	2016 US$M	**2015 US$M**	**2016 US$M**	**2015 US$M**
Revenue				
Sale of uranium	20.6	16.7	121.9	125.3
Interest income from non-related parties	0.2	0.3	0.5	0.7
Other revenue	-	0.1	-	0.8
Total	**20.8**	**17.1**	**122.4**	**126.8**

NOTE 11. OTHER INCOME AND EXPENSES

Cost of Sales

Costs before depreciation and amortisation	(15.4)	(13.4)	(83.7)	(115.4)
Depreciation and amortisation	(2.7)	(2.6)	(14.1)	(21.5)
Impairment loss reversed on sale of inventory	0.8	0.6	7.1	23.9
Product distribution costs	(0.8)	(0.6)	(2.3)	(5.2)
Royalties	(0.6)	(0.4)	(3.7)	(4.0)
Total	**(18.7)**	**(16.4)**	**(96.7)**	**(122.2)**

Other income				
Foreign exchange gain (net)	-	1.1	9.2	4.2
Gain on disposal of investment	-	-	-	0.6
Total	**-**	**1.1**	**9.2**	**4.8**

NOTE 11. OTHER INCOME AND EXPENSES (continued)

	Three months ended 31 March		Nine months ended 31 March	
	2016 US$M	2015 US$M	2016 US$M	2015 US$M
Administration, marketing and non-production costs				
Corporate and marketing	(1.1)	(3.5)	(4.9)	(11.5)
Restructure costs	(0.1)	-	(4.7)	-
LHM mine site	(0.9)	(0.9)	(2.5)	(2.2)
Depreciation and amortisation	(0.1)	(0.1)	(0.4)	(0.5)
Other	(0.1)	-	(0.3)	(0.5)
Total	**(2.3)**	**(4.5)**	**(12.8)**	**(14.7)**
Other expenses				
Write off of exploration assets [(1)]	-	-	-	(1.4)
Impairment of aircraft [(2)]	-	-	(0.3)	-
Impairment of available-for-sale financial assets	(0.3)	-	(0.7)	(1.7)
LHM fixed costs during plant shutdown	-	(1.0)	(0.8)	(3.7)
KM care and maintenance expenses	(2.6)	(3.3)	(7.5)	(11.3)
Foreign exchange loss (net)	(0.6)	-	-	-
Total	**(3.5)**	**(4.3)**	**(9.3)**	**(18.1)**

[(1)] 2014, the licence for Spinifex Well was surrendered on 22 September 2014. All capitalised costs were written off.

[(2)] As a result of KM being placed on care and maintenance, the Company made a decision to sell its aircraft and on 23 November 2015 a sale agreement was signed. The sale was completed in January 2016. An impairment expense of US$0.3M has been recorded in the ‘Unallocated’ portion of the segment information.

	Three months ended 31 March 2016 US$M	Three months ended 31 March 2015 US$M	Nine months ended 31 March 2016 US$M	Nine months ended 31 March 2015 US$M
Finance costs				
Interest expense	(7.6)	(8.3)	(23.7)	(25.1)
Accretion relating to convertible bonds (non-cash)	(3.2)	(5.0)	(10.1)	(14.7)
Profit on convertible bonds buyback	0.8	-	2.2	-
Unwind of discount on mine closure provision	(0.8)	(1.5)	(2.5)	(4.2)
Facility costs	(2.6)	(0.2)	(2.9)	(0.5)
Total	**(13.4)**	**(15.0)**	**(37.0)**	**(44.5)**

NOTE 12. INCOME TAX

Reconciliation of accounting loss to income tax benefit/expense

	Three months ended 31 March		Nine months ended 31 March	
	2016 US$M	**2015 US$M**	**2016 US$M**	**2015 US$M**
Loss before income tax expense	(17.3)	(22.3)	(24.9)	(69.1)
Tax at the Australian rate of 30% (2015 – 30%)	5.2	6.7	7.5	20.7
Difference in overseas tax rates	0.3	0.1	(1.7)	0.1
Non-deductible items	3.8	(0.6)	(1.0)	25.5
Under/(over) prior year adjustment	-	-	0.5	(6.7)
Foreign exchange differences	(1.9)	(12.5)	53.6	(38.5)
Other	(5.8)	14.8	(72.6)	(13.0)
Income tax benefit/(expense) reported in Income Statement	**1.6**	**8.5**	**(13.7)**	**(11.9)**

NOTE 13. TRADE AND OTHER RECEIVABLES

	31 March 2016 US$M	**30 June 2015 US$M**
Current		
Trade receivables	12.3	2.1
GST and VAT	8.5	5.6
Sundry debtors	1.7	1.8
Total current receivables	**22.5**	**9.5**
Non Current		
Sundry debtors	0.6	0.6
Total non current receivables	**0.6**	**0.6**

NOTE 14. INVENTORIES

	31 March 2016 US$M	30 June 2015 US$M
Current		
Stores and consumables (at cost)	10.6	11.1
Ore stockpiles (at cost)	6.1	19.8
Work-in-progress (at cost)	14.9	-
Work-in-progress (at net realisable value)	-	9.4
Finished goods (at cost)	49.5	35.0
Total current inventories at the lower of cost and net realisable value	**81.1**	**75.3**
Non Current		
Ore stockpiles (at cost)	165.7	156.3
Total non current inventories at the lower of cost and net realisable value	**165.7**	**156.3**

Ore stockpiles at LHM that are unlikely to be processed within 12 months of the balance sheet date.

NOTE 15. ASSETS CLASSIFIED AS HELD FOR SALE

	31 March 2016 US$M	30 June 2015 US$M
Plant and equipment	-	2.8
Total assets classified as held for sale	**-**	**2.8**

As a result of KM being placed on care and maintenance, the Company made a decision to sell its aircraft and on 23 November 2015 a sale agreement was signed. The sale was completed in January 2016. An impairment expense of US$0.3M has been recorded in the ‘Unallocated’ portion of the segment information.

NOTE 16. OTHER FINANCIAL ASSETS

	31 March 2016 US$M	30 June 2015 US$M
Available-for-sale financial assets	**1.7**	**2.6**

The Group has an investment in DYL and at 31 March 2016 held 319,106,156 shares with a market value of US$1.7M (30 June 2015: 319,106,156 shares with a market value of US$2.4M).

NOTE 17. PROPERTY, PLANT AND EQUIPMENT

	31 March 2016 US$M	30 June 2015 US$M
Plant and equipment (at cost) [1]	721.4	720.6
Less accumulated depreciation and impairment	(469.5)	(456.2)
Total plant and equipment	251.9	264.4
Land and buildings (at cost) [2]	10.5	10.6
Less accumulated depreciation	(3.0)	(2.7)
Total land and buildings	7.5	7.9
Construction work in progress (at cost) [3]	1.1	1.4
Less impairment	-	-
Total construction work in progress	1.1	1.4
Total property, plant and equipment	**260.5**	**273.7**

[1] Includes additions of US$0.3M (30 June 2015: US$2.0M)
[2] Includes additions of US$NIL (30 June 2015: US$Nil)
[3] Includes additions of US$1.1M (30 June 2015: US$8.5M)

NOTE 18. MINE DEVELOPMENT

	31 March 2016 US$M	30 June 2015 US$M
Mine development (at cost) [1]	214.4	213.1
Less accumulated depreciation and impairment	(173.6)	(170.1)
Total mine development	**40.8**	**43.0**

[1] Includes additions of US$1.3M (30 June 2015: US$Nil)

NOTE 19. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the nine months ended 31 March 2016:

Areas of interest	**Valhalla/ Skal** (1)	**Isa North**	**Fusion**	**Angela/ Pamela**	**Bigrlyi**	**Carley Bore**(2)	**Canada**	**Other Uranium Projects**	**Total**
	US$M	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**	**US$M**
Balance 30 June 2015	**89.6**	**10.4**	**-**	**-**	**-**	**-**	**230.4**	**7.5**	**337.9**
Acquisition property payments	**-**	**-**	**-**	**-**	**-**	7.6	**-**	-	**7.6**
Project exploration and evaluation expenditure									
Labour	-	-	-	-	-	0.1	0.8	0.1	1.0
Outside services	-	0.1	0.1	-	-	-	0.2	0.2	0.6
Other expenses	0.1	0.1	-	-	-	0.3	0.8	0.1	1.4
Total expenditure	0.1	0.2	0.1	-	-	0.4	1.8	0.4	3.0
Expenditure expensed	(0.1)	(0.2)	(0.1)	-	-	-	(0.2)	(0.1)	(0.7)
Expenditure capitalised	-	-	-	-	-	0.4	1.6	0.3	2.3
Foreign exchange differences	-	-	-	-	-	0.4	(11.7)	-	(11.3)
Impairment of exploration and evaluation	-	-	-	-	-	-	-	-	-
Balance 31 March 2016	**89.6**	**10.4**	**-**	**-**	**-**	**8.4**	**220.3**	**7.8**	**336.5**

(1) Summit has a 50% interest in the Valhalla/Skal Projects with the other 50% interest held by the Paladin Group. As a consequence of the takeover of the Summit Group, the above table now reflects 100% of the Valhalla/Skal Projects with the non-controlling interest reflected on the face of the Statement of Financial Position.

(2) On 7 August 2015, Paladin acquired the Carley Bore Uranium Deposit in Western Australia for consideration comprising US$1.2M (A$1.6M) cash and 45 million Paladin Energy Ltd shares. US$0.6M acquisition costs were capitalised to the exploration and evaluation asset.

NOTE 20. INTANGIBLE ASSETS

	31 March 2016 US$M	30 June 2015 US$M
Intangible assets – at cost	27.8	27.8
Less accumulated depreciation and impairment	(16.6)	(16.1)
Net carrying value – intangible assets	**11.2**	**11.7**

NOTE 21. PROVISIONS

	31 March 2016 US$M	30 June 2015 US$M
Current		
Employee benefits	2.1	3.5
Total current provisions	**2.1**	**3.5**
Non Current		
Employee benefits	-	1.4
Rehabilitation provision	77.1	82.5
Demobilisation provision	1.3	1.5
Total non current provisions	**78.4**	**85.4**

NOTE 22. UNEARNED REVENUE

	31 March 2016 US$M	30 June 2015 US$M
Non Current		
Unearned revenue	200.0	200.0
Total unearned revenue	**200.0**	**200.0**

In 2012, Paladin entered into a six-year off-take agreement with EdF, a major electricity generator and distribution company in France, to deliver a total of 13.73Mlb U_3O_8 in the period from 2019 to 2024. Uranium sold to EdF under the contract will be at prevailing spot prices at the time of delivery, subject to escalating floor and ceiling prices, with the floor price being at a significant premium to both current spot and long term reference prices. The off-take is an obligation of the Company and it is intended to be fulfilled through the acquisition of U_3O_8 from the Company's operating assets and joint ventures at the time of delivery.

Under this agreement, a US$200M cash prepayment was received in 2012. The prepayment related to 44.51% of the total volume to be delivered under the contract, at the present value of the contracted floor price, determined using an imputed interest rate of 7.619%.

Under the Group's accounting policy, the unearned revenue is not accreted to the future value of the contracted floor price that has been prepaid. When the product is delivered to the customer, the unearned revenue will be released to the income statement at its original carrying value.

The Company has granted EdF security over 60.1% of the Michelin project in Canada. Under certain circumstances, the company may elect, or be required to replace the Michelin security with other appropriate security.

NOTE 23. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 31 March 2016 other than:

(a) Tenements

	31 March 2016 US$M	30 June 2015 US$M
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	0.9	0.6
Later than one year but not later than 5 years	9.4	9.8
More than 5 years	10.7	11.2
Total tenements commitment	**21.0**	**21.6**

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Namibian, Malawian, Canadian, Western Australian, South Australian, Northern Territorian and Queensland Mines Departments attaching to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made.

These are necessary in order to maintain the tenements in which the Group and other parties are involved. All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Namibia, Malawi, Australia and Canada.

(b) Operating Lease Commitments

The Group has entered into various property leases relating to rental of offices and residential accommodation.

These non-cancellable leases have remaining terms of between 1 month and 5 years. All leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	31 March 2016 US$M	30 June 2015 US$M
Within one year	0.4	0.8
Later than one year but not later than 5 years	1.5	0.1
More than 5 years	-	-
Total operating lease commitment	**1.9**	**0.9**

NOTE 23. COMMITMENTS AND CONTINGENCIES (continued)

	31 March 2016 US$M	30 June 2015 US$M
(c) Other Commitments		
Commitments for mining, transport and reagents contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	14.3	15.3
Later than one year but not later than 5 years	1.5	1.9
More than 5 years	-	-
Total other commitments	**15.8**	**17.2**

(d) Acquisition Costs

In relation to the Manyingee Uranium Project, the re-negotiated acquisition terms provide for a payment of A$0.75M / (US$0.57M) (30 June 2015: A$0.75M (US$0.57M)) by the Group to the vendors when all project development approvals are obtained.

(e) Bank Guarantees

As at 31 March 2016 the Group has outstanding US$465,049 / (A$607,651) (30 June 2015: US$378,192 / A$494,021) as a current guarantee provided by a bank for the corporate office lease, a US$130,105/ (A$170,000) (30 June 2015: US$143,538 / A$187,500) guarantee for tenements, a US$98,443 / (A$128,630) (30 June 2015: US$86,988 / A$113,630) guarantee for corporate credit cards and a US$10M (30 June 2015: US$10M) KM environmental performance guarantee.

(f) Settlement of Contingent Liability

LHM and the contractor have agreed to settle all litigation associated with this matter, i.e. all claims and counter claims. The parties are currently in the process of reviewing and signing the settlement documentation which will result in no payment being made by either party.

Background to the settlement - A dispute arose between a Group company and a contractor in relation to the contract for the Stage 3 expansion at LHM. The contractor was seeking payment of a disputed sum of N$151.1M (30 June 2015: N$151.1M), which is approximately US$10.0M (30 June 2015: US$12.0M). The Group denied the claim and vigorously defended it. The Group also counter claimed damages from the contractor and cross-claimed from another contractor. The precise quantum of the counter-claim and cross claim was never established, however the merits of the Company's defences against the claims were considered to be good, and it was expected that in the final result the Company's quantum was likely to exceed any residual entitlement that may have been due on the contractors' claims.

NOTE 24. EVENTS AFTER THE REPORTING PERIOD

Since 31 March 2016, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

APPENDIX A
Form 52-109F2 - Certification of interim filings – full certificate

I, Alexander Molyneux, the certifying officer and Chief Executive Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Paladin Energy Ltd for the interim period ended 31 March 2016.

2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 Control Framework: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2015 and ended on 31 March 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 10 May 2016

Alexander Molyneux
Chief Executive Officer

Form 52-109F2 - Certification of interim filings – full certificate

I, Craig Barnes, the certifying officer and Chief Financial Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Paladin Energy Ltd for the interim period ended 31 March 2016.

2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 Control Framework: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2015 and ended on 31 March 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 10 May 2016

Craig Barnes
Chief Financial Officer