PALADIN ENERGY LTD
ACN 061 681 098

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28 August 2014

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

By Electronic Lodgement

Dear Sir/Madam

June 2014 Full Year Conference Call Presentation

Attached please find the presentation in relation to the year end and June quarter results conference call and investor update to be held tomorrow morning at 6.30am Perth time. Full details in relation to the call were announced on 22 August 2014.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/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

Annual Results Conference Call and Investor Update
29 August 2014

John Borshoff – Managing Director/CEO
Craig Barnes – Chief Financial Officer
Mark Chalmers – Executive General Manager, Production

Disclaimer and Notes for JORC and NI 43-101 Mineral Resources and Ore Reserves

This presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the “Company”) expects to occur, are forward-looking statements.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

In the following presentation, for those deposits that are reported as conforming to the Joint Ore Reserves Committee (JORC) 2004 or 2012 code, the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Ore Reserves, Probable Ore Reserves and Competent Person are equivalent to the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Mineral Reserves, Proven Mineral Reserves, Probable Mineral Reserves and Qualified Person, respectively, used in Canadian National Instrument 43-101 (NI 43-101).

The technical information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Andrew Hutson B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Messrs Princep and Hutson each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, and as Qualified Persons as defined in NI 43-101. Messrs Princep and Hutson are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Presentation Outline

Key Achievements for FY14

- **Strong production for FY14 and guidance met**
  - 7.943Mlb U_3O_8 - upper end of stated guidance (7.8Mlb to 8.0Mlb)
  - Langer Heinrich produced a record 5.592Mlb U_3O_8 up 5.7% from FY13
  - progressive dropping of average feed grades
  - key innovation initiatives successfully implemented – nano filtration, others pending
- **Successful transition to care and maintenance at Kayelekera**
  - C&M commenced 26 May 2014
  - government and local stakeholder relationships remain strong
  - maintain plant for quick restart possibility when U_3O_8 reaches US$75/lb levels
- **Langer Heinrich JV minority sale for US$190M successfully completed**
  - CNNC now formally in Joint Venture with Paladin
- **Successful refinancing of Langer Heinrich facility**
  - new US$70M facility in place
  - reduction in principal repayments of US$32.4M over 3.5 years
- **Michelin Project - 25% increase in Measured and Indicated Resources**

Material Achievements are Redefining Paladin

Key focus areas for Paladin

Paladin Achievements past 18 months	Achieve strong operational performance	Deleverage the balance sheet	Establish sustainable cash flows	Take advantage of future price resurgence
1. **Significant cost reductions and production optimisation at LHM and KM**	✓	✓	✓	✓
2. **Minority equity stake sold to CNNC for $190M**		✓	✓	✓
3. **Long term sales deal with EdF, a leading global nuclear utility with $200M prepayment**		✓	✓	✓
4. **KM Care & Maintenance, leading to cost reduction/asset preservation**	✓		✓	✓
5. **LHM and KM project finance refinancing**		✓		
6. **Michelin M&I Resource increased by 25% and open pit M&I grades increased by 36%**			✓	✓

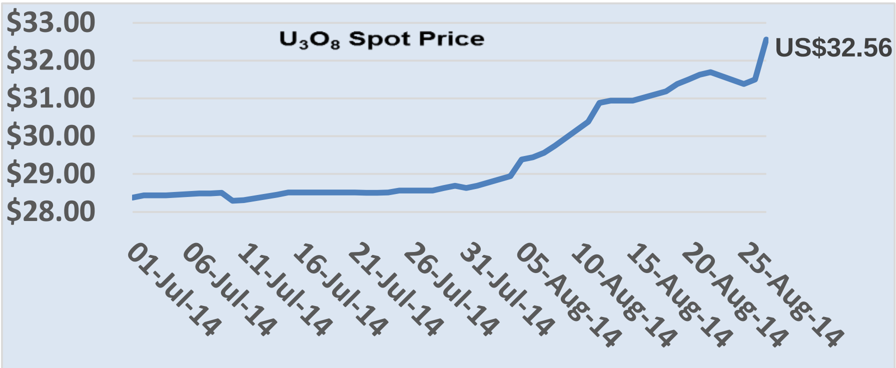
Strong vote of confidence from nuclear industry participants with significant cash out flow savings in 18 months

What We Plan To Do In FY15

- **FY15 production guidance for Langer Heinrich in the range of 5.4 to 5.8Mlb U_3O_8**
- **Further reduce unit production costs at Langer Heinrich through continued**
  - cost management
  - optimisation of existing processes
  - development and implementation of process innovations
- **Continue cost optimisation across the Paladin Group**
- **Improve health and safety performance**
- **Extract value through benefits of strategic partnering**
- **Strengthen balance sheet through continued debt reduction**
- **Maintain Kayelekera Mine in “ready to re-start" status**

Presentation Outline

Uranium Market Snapshot



Source: UxC Daily Broker Average Price

- steady uranium spot price increase since late July (+15%)
- spot market fundamentals improving with increased liquidity
- term market contract volumes already triple that of entire 2013

	Current Nuclear Capacity	Under Construction	Planned	Proposed
Reactors / (Capacity)	435 (375.3GWe)	72 (76.8GWe)	174 (190.2GWe)	299 (329.4GWe)

Source: World Nuclear Association (August 2014)

- globally, number of reactors under construction and planned have increased since Fukushima
- phased restart of Japanese reactors imminent
- Chinese reactor programme accelerating

Nuclear Reactor Fleet – Growth Forecast	2014	2020	2025	2030
Reactors	435	504	550	650

Source: World Nuclear Association / Paladin Nuclear

- exponential global reactor fleet growth post 2020
- long-term market demand fundamentals require extraordinary growth in uranium supply

Uranium Market Update

- **Reactors under construction continue to increase (now 72 and growing)**
- **Japanese reactor restarts**
  - Japanese utilities have submitted applications for safety reviews for 20 reactors
  - 16 July – NRA approved a draft safety test report for Sendai 1 & 2 (Kyushu Electric)
  - local government approvals required
  - Sendai 1 & 2 could restart as soon as 4th quarter 2014
- **Further uranium mine suspensions, closures or deferrals inevitable**
  - Kayelekera (Malawi) and Honeymoon (South Australia) just the first
  - UxC 2013 production cost report – 50% of global production below current spot price
  - recent Rossing production cutback (term contract deliveries only)
- **Available spot market volumes will tighten considerably in 2014/2015**
  - Kayelekera, Rossing, US miners, plus Langer Heinrich and Uzbekistan term contracts and other actions have taken ~11Mlb pa out of spot market

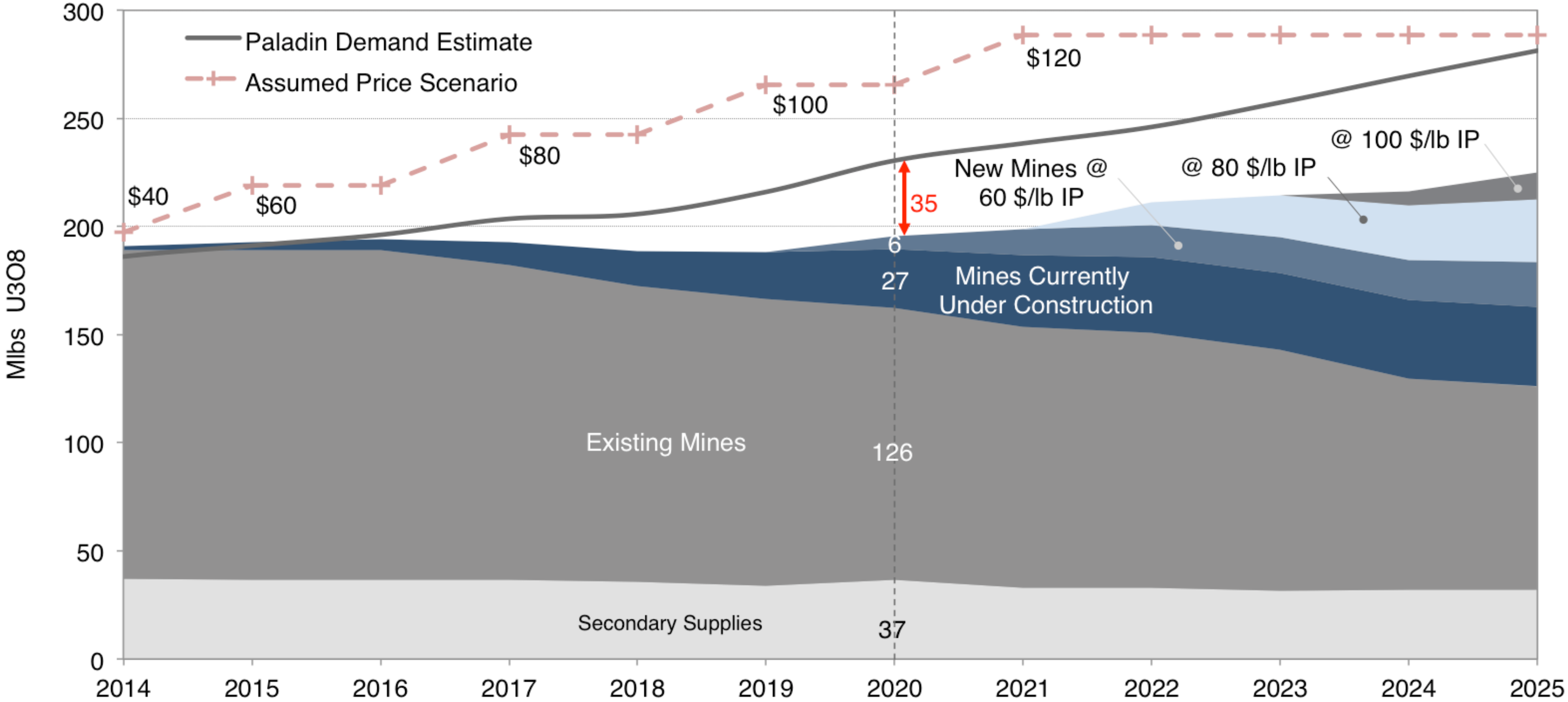
Term Contract Market Update

- **Volume contracted in CY2013 for future delivery totaled 20Mlb**
  - historically, annual term volume exceeded 150Mlb for future delivery
- **To Mid-CY2014, term volume reported at more than 60Mlb**
  - thus far, U.S. nuclear utilities have continued to favor mid-term delivery period (2015-2017/2018) with limited number of term contracts extending beyond 2020
  - very few producers participating in term market because below cost of replacement
- **Anticipate increasing long term contracting during 2nd Half 2014 with attendant price reaction**
  - Comision Federal de Electricidad (CFE- Mexico)
  - North American Utilities
  - Korea Hydro & Nuclear Power

Price Delay Exacerbating Supply Shortfall

Key considerations

- even compared to Paladin's previous study update (Oct. 2013), 2020 supply shortfall has increased 13% under revised incentive price scenario
- depressed prices and lack of new mines create ***structural*** supply shortfall
- Paladin S/D study focusses on realistic mine investment criteria, not what is possible independent of incentive pricing and other decision making factors



IP = Incentive Price

Presentation Outline

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

Profit & Loss
Year Ended June 2014

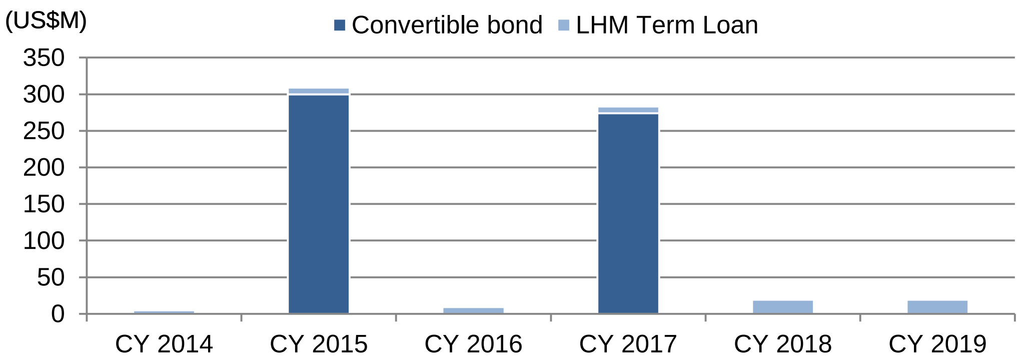
- **Revenue of US$328.8M – down 19%**
  - 8.665Mlb sold at average realised price of US$37.9/lb
- **Gross loss from operations of US$3.4M *(excluding impairment)***
  - average C1 costs for FY14 at US$28.80/lb (excluding KM)
- **Impairments of US$296.3M (after tax)**
  - US$255.7M after tax recognised in December 2013, primarily Mt Isa exploration asset impairment of US$226.5M after tax
  - KM inventory impairment of US$40.7M (US$24.9M recognised in December 2013)
  - LHM inventory impairment of US$21.0M
- **Admin, marketing and non-production costs of US$21.9M – down 45%**
  - reflects US$7.3M reduction in corporate and marketing costs
  - senior management pay reduction and pay freeze
  - additional corporate cost savings from KM C&M
  - reflects decrease in LHM Stage 4 expansion study and R&D costs
- **Exploration expenditure of US$8.1M – down 54%**
- **Finance costs of US$59.7M**
  - decrease of US$4.1M due to reduction in project finance debt

Cash Flow
Year Ended June 2014

- **Cash and cash equivalents of US$88.8M**
  - large cash draw for the quarter primarily due to debt servicing
  - receipt of US$170M balance of proceeds from LHM minority sale in July
  - successful refinancing of LHM project finance facility
- **Cash inflow from operating activities of US$10.1M**
  - LHM & KM generated positive cash before working capital of US$32.2M
  - US$29.4M generated from working capital
  - US$33.0M interest payments on borrowings
- **Cash outflow from investing activities of US$25.3M**
  - US$20.3M capex including sustaining capex, the new tailings facility at LHM and the acid recovery plant at KM
  - US$5.8M investment in exploration
- **Cash inflow from financing activities of US$26.3M**
  - US$78.2M net proceeds from share placement
  - US$68.8M repayment of KM & LHM project finance loans
  - US$20.0M deposit received from LHM minority sale

Snapshot of Paladin's Capital Structure

Paladin's debt maturity profile (calendar year end - drawn facilities)



Total debt (US$M)	5	309	9	283	19	19

Total debt as at 29 August 2014

Overview	US$M
LHM Term Loan	70
Convertible Bonds due November 2015	300
Convertible Bonds due April 2017	274
Total debt	**644**

Total debt reduction of US$100M since 30 June 2013

- **Deleveraging the balance sheet remains a key focus for Paladin**
- **Paladin is proactively working towards achieving its balance sheet objectives and has a number of levers available to it to address its debt maturity including**
  - existing cash and net asset sale proceeds
  - refinancing + extending existing debt/CB maturity
  - other capital markets solutions
  - further minority interest asset sales

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Langer Heinrich Project Update

Strong operational results

- record annual production of 5.59Mlb U_3O_8 for FY14
- FY14 guidance achieved and at upper end
- FY15 guidance is 5.4Mlb to 5.8Mlb
- production in Sept qtr is expected to be down as a result of planned maintenance and resin replacement

Lower quartile cost producer status maintained

- C1 cost June quarter US$31.20/lb (aging resin affecting production currently being replaced)
- C1 cost for FY14 US$28.80/lb down 4%
- long term C1 target low US$20s/lb

Optimisation and innovation for further unit cost reduction

- increase in production units when appropriate
- hydrosort to improve beneficiation recovery
- improve wash and IX performance
- improve product precipitation and washing
- reduce reagent consumption (mainly through application of nano-filtration similar to Kayelekera and resin replacement)
- other areas being reviewed

	Actual FY14	**Actual Jun'14 Qtr**
Ore processed	3.72Mt	0.91Mt
Ore feed grade	783ppm	781ppm
Recovery	87.0%	85.6%
U_3O_8 production	5.59Mlb	1.34Mlb

Kayelekera Project Update

Strong production results

- 2.35Mlb for FY14
- recoveries remained high at 86.2% for FY14

	Actual FY14	Actual Jun'14 Qtr
Ore processed	1.04Mt	0.13Mt
Ore feed grade	1,207ppm	1,052ppm
Recovery	86.2%	88.5%
U_3O_8 production	2.35Mlb	0.26Mlb

C1 cost initiatives better than target

- C1 cost for FY14 US$35.90/lb down 16%
- largest reduction in costs was acid independence which was a combination of blend management and application of nano-filtration
- expected to be low $30s/lb (with benefit of grid power) on future start-up

Project now on care and maintenance

- transition to C&M now achieved
- operational performance proven for future
- approximately 50% of resource remains
- further exploration potential
- maintain at near ready status for quick restart
- potentially a strong cash generator (restart ~US$75/lb)

Key Pipeline Projects

MANYINGEE WA

- **Updated Indicated mineral resource to 15.7Mlb U_3O_8 with 10.2Mlb U_3O_8 remaining in Inferred**
- **Low-cost ISR project targeting 2Mlb pa U_3O_8 production**
  - existing mining lease
  - Paladin has the expertise to develop
- **2018 development target (price dependent)**
  - field leach testing planned for 2015/16
- **Significant room for resource expansion**
  - targeting 40Mlb of resources in region

MICHELIN DEPOSIT Canada

- **Drilling commenced August 2013 winter campaign completed March 2014**
  - successfully upgraded Michelin deposit Measured & Indicated mineral resource by 25% to 84Mlb U_3O_8, with 23Mlb U_3O_8 remaining in Inferred
- **2021 development target (price dependent)**
  - Paladin believes the project has the potential to be placed amongst the world's largest economically viable uranium projects
- **Michelin project area mineral resources 100.8Mlb U_3O_8 Measured and Indicated and 39.8Mlb U_3O_8 Inferred**
- **Targeting 200Mlb of mineral resources within tenements**

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Positioned for the Future

- **Long term underpinned with 2 strong, reputable nuclear utilities in place**
  - CNNC with 25% JV interest in Langer Heinrich **US$190M**
  - EdF key delivery contract 2019-2024 with **US$200M** prepayment made Jan 2012
- **Proven builder/operator**
  - extensive uranium expertise in the group (technical, environmental, health, social)
  - only company to have successfully developed two greenfield conventional mines in past 20 years
  - developed, implemented and de-risked innovative technologies
- **Demonstrated ability to reduce costs and increase production**
  - brown field production increases available with incentive pricing (swing production 5Mlb pa plus)
  - production innovation and optimisation for continued unit cost reduction
  - reduction in corporate costs
- **Positioning for the next phase of rapid growth**
  - in a strong position to achieve strategic alliances and partnerships with key industry participants
  - have staged project development schedule to 2025 and beyond (uranium price dependent)

Conclusion

- **Guidance for FY2015 is 5.4Mlb to 5.8Mlb**
- **FY15 priorities**
  - further cost rationalisation at operations and corporate level
  - strong operational performance through production optimisation
  - deleveraging the balance sheet
  - remaining positioned to take advantage of the future uranium price resurgence
- **Fully committed to preserving Paladin's strategic position**
  - Board and management focused on Paladin's sustainability at current prices
- **Fully committed to realising value for shareholders**
  - capitalise on very high strategic value of Paladin
  - capitalise on the innovation and experience developed to date
  - exploit the asset base

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

Paladin Energy Ltd – Contact Details

<u>Head Office</u>

Level 4, 502 Hay Street
Subiaco Western Australia 6008
PO Box 201, Subiaco
Western Australia 6904

Telephone: +61 (0) 8 9381 4366
Facsimile: +61 (0) 8 9381 4978
Email: paladin@paladinenergy.com.au
Website: www.paladinenergy.com.au

<u>Investor Relations Team</u>

Andrew Mirco
+61 (0) 8 9381 4366

North America:
Greg Taylor
+1 *(905) 337 7673*