



PALADIN

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ASX Announcement
17 March 2021

TRANSFORMATIONAL FULLY UNDERWRITTEN A\$218.7M EQUITY RAISE TO REDEEM SENIOR NOTES AND RESET CAPITAL STRUCTURE

- Fully underwritten 1 for 8.5 pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise A\$218.7 million
- Proceeds from the Equity Raise will be applied to the full redemption of the outstanding senior secured notes
- Pro forma net cash position of ~US\$30 million post Equity Raise and redemption of the senior secured notes provides enhanced financial flexibility¹ ahead of a future Langer Heinrich mine restart
- New shares to be issued at A\$0.37 per share, representing a 16.7% discount to TERP,² 20.4% discount to last close, 17.2% discount to the 5-day VWAP and a 11.3% discount to the 20-day VWAP

Paladin Energy Ltd (Paladin or Company) advises that the Company is undertaking an equity raise by way of a fully underwritten pro-rata accelerated non-renounceable entitlement offer and institutional placement, to raise approximately A\$218.7 million (**Equity Raise**).

Proceeds from the Equity Raise will be applied to the full redemption of outstanding senior secured notes that the Company issued in connection with a restructure of its debt obligations in early 2018 (**Senior Notes**). The Senior Notes will have an outstanding balance of US\$156.8M³ (A\$203.6M⁴) in principal and accrued interest at 31 March 2021, and will be repaid in a two-stage redemption process after the respective settlements of the institutional and retail components of the Equity Raise (**Redemption**).

The Board of Directors of Paladin has determined that the fully underwritten Equity Raise to redeem

¹ Following redemption of the Senior Notes.

² The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Paladin shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Paladin's closing price of \$0.465 on 16 March 2021. The TERP calculation includes New Shares issued under the Placement.

³ Excludes the additional 2% early redemption premium which is payable upon the redemption of the Senior Notes at this time.

⁴ Assumes an exchange rate of AUD1:00 / USD 0.77.



the Senior Notes is the most efficient means to undertake this transaction given that the Senior Notes have security arrangements that limit Paladin's financial flexibility in the lead up to any decision to restart uranium mining operations at the Langer Heinrich mine, that the 10% 'Payment In Kind' interest is detrimental to equity holders and that it is difficult to buy back or restructure the Senior Notes prior to their maturity in January 2023.

The successful completion of the Equity Raise and Redemption process will:

- reset the Company's capital structure and significantly improve the Company's financial strength and resilience;
- remove the legacy corporate debt overhang (the Senior Notes mature in January 2023);
- deliver optionality on future funding structures for the US\$81M of capital required to restart Langer Heinrich; and
- strengthen the Company's uranium marketing position whereby new and returning customers can have confidence that Paladin has a clear pathway to achieving restart funding.

With estimated unrestricted cash reserves of ~US\$30M after the Equity Raise and Senior Notes redemption, the Company expects to be funded through to a Langer Heinrich restart decision.

Furthermore, the removal of the legacy corporate debt overhang provides Paladin with the option to reduce the scale of initial uranium contracting volumes ahead of the restart of Langer Heinrich and leverage the timeframe between restart commitment and full production to assess further contract opportunities. To that end, the Company will be able to "layer" contracts over a period of time, providing it with contract execution flexibility.

Ian Purdy, Paladin's CEO said:

"This Equity Raise represents the final step in a truly transformational 'reset' of the Paladin story with the upcoming full redemption of the legacy corporate debt on Paladin's balance sheet. The Company now has the benefit of increased capital flexibility which provides a solid foundation for management to continue its focus on the restart of Langer Heinrich and value creation for equity holders in an improving uranium market."

OFFER DETAILS

The fully underwritten A\$218.7 million Equity Raise comprises the following:

- an institutional placement of approximately 347.3 million new fully paid ordinary shares in Paladin (**New Shares**) to raise A\$128.5 million (**Placement**)⁵; and
- a 1-for-8.5 pro-rata accelerated non-renounceable entitlement offer of approximately 243.7 million New Shares to raise approximately A\$90.2 million (**Entitlement Offer**).

All New Shares will be issued at a price of A\$0.37 per New Share under the Equity Raise, which represents a:

- 16.7% discount to the Theoretical Ex-Rights Price (**TERP**) of A\$0.444.
- 20.4% discount to the last traded price of Paladin shares on ASX of A\$0.465 on 16 March 2021;
- 17.2% discount to the 5-day volume average weighted price (**VWAP**); and
- 11.3% discount to the 20-day VWAP.

⁵ Paladin has been granted a waiver from ASX Listing Rule 7.1 to enable expanded placement capacity given the Entitlement Offer is fully underwritten.



The Entitlement Offer provides eligible shareholders with the opportunity to subscribe for 1 New Share for every 8.5 existing shares held as at 7.00pm Sydney Time on Friday, 19 March 2021 (**Record Date**).

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, Wednesday, 17 March 2021, along with the Placement. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional shareholders and entitlements that would otherwise have been offered to ineligible shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Eligible retail shareholders will also have the ability to apply for additional New Shares for an amount of up to 50% of their entitlement under a "Retail Shortfall Facility" to be provided in connection with the Entitlement Offer (subject to scale back, at Paladin's discretion).

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Wednesday, 24 March 2021 to eligible retail shareholders in Australia and New Zealand, as at 7:00pm (Sydney time) on the Record Date and is expected to close at 5.00pm (Sydney time) on Friday, 9 April 2021.

Paladin CEO Ian Purdy and Paladin Directors who are eligible to participate in the Entitlement Offer have each confirmed their intention to subscribe for their respective entitlements for an amount up to the value of their after tax remuneration from their appointment.⁶

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

Each New Share issued under the Equity Raise will rank equally with existing fully paid ordinary shares in Paladin then on issue.

Canaccord Genuity (Australia) Limited is acting as global coordinator, joint lead manager, joint underwriter and joint bookrunner to the Equity Raise. Shaw and Partners Limited is acting as joint lead manager, joint underwriter and joint bookrunner to the Equity Raise. Corrs Chambers Westgarth is acting as Australian legal adviser to Paladin in connection with the Equity Raise.

⁶ Being an aggregate amount of up to A\$370,000 in total.



INDICATIVE TIMETABLE

An indicative timetable of key dates in relation to the Equity Raise is detailed below.

Event	Time (Sydney time) / Date
Announcement of Equity Raise, Institutional Entitlement Offer and Placement opens	Wednesday, 17 March 2021
Institutional Entitlement Offer and Placement Closes	Thursday, 18 March 2021
Announce completion of the Placement and Institutional Entitlement Offer	Friday, 19 March 2021
Trading halt is lifted and existing Paladin shares resume trading on ex-entitlement basis	Friday, 19 March 2021
Record date for determining entitlement for the Entitlement Offer	7pm Friday, 19 March 2021
Offer Booklet and Entitlement & Acceptance Form issued and Retail Entitlement Offer opens	Wednesday, 24 March 2021
Settlement of New Shares issued under the Institutional Entitlement Offer and Placement	Thursday, 25 March 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and Placement	Friday, 26 March 2021
Retail Entitlement Offer closes	5pm Friday, 9 April 2021
Settlement of Retail Entitlement Offer	Thursday, 15 April 2021
Allotment of New Shares under the Retail Entitlement Offer	Friday, 16 April 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 19 April 2021

Note: The timetable above is indicative only and may be subject to change. All times and dates refer to Sydney time. Paladin reserves the right to amend any or all of these dates and times without notice, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, Paladin reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Equity Raise (either generally or in particular cases) and to withdraw the Equity Raise without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

FURTHER INFORMATION

Further details of the Equity Raise are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Equity Raise. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

This announcement has been authorised for release by the Board of Directors of Paladin Energy Ltd.

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About Paladin

Paladin Energy Ltd (ASX: PDN) is an Australian listed uranium company focused on maximising the value of its 75% stake in the Langer Heinrich uranium mine in Namibia.

Langer Heinrich is a globally significant, long-life operation, having already produced over 43Mlb U₃O₈ to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets. Nuclear power remains a cost-effective, low carbon option for electricity generation.

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs.

This announcement contains certain “forward-looking statements”, which can generally be identified by the use of words such as “will”, “may”, “could”, “likely”, “ongoing”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “forecast”, “goal”, “objective”, “aim”, “seek” and other words and terms of similar meaning or by using future dates in connection with any discussion of, among other things, expectations regarding the completion of the Equity Raise and the use of proceeds. The Company cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. See the Investor Presentation for a description of key risks with respect to the Equity Raise. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on forward-looking statements.

Not an offer in the United States

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