



PALADIN

Clean energy. Clear future.

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PALADIN ENERGY LTD
ABN 47 061 681 098
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Quarterly Activities Report For the period ending 31 December 2021



Paladin Energy Limited (**Paladin** or **the Company**) is pleased to provide an update on its activities and cashflow for the quarter ended 31 December 2021.

HIGHLIGHTS

- The Langer Heinrich Mine Restart Plan Update¹ (the **Restart Plan Update**) confirmed the restart cost estimate of US\$81M and a 17 year mine life supported by Ore Reserves of 84.8Mt with an average U₃O₈ grade of 448ppm
 - Life of mine production target increased to 77.4Mlb of U₃O₈ (previously 76.1Mlb)
 - Estimated Life of Mine C1 Costs were updated to US\$27.40/lb (previously US\$26.90/lb), primarily due to increased estimated contract mining rates
- The restart work technical programs are now complete and have reinforced Paladin's confidence in the Langer Heinrich Mine as a robust, competitive long-life operation ready to rapidly restart production in the right uranium price environment
- Paladin will now focus attention on exploring value enhancement opportunities at Langer Heinrich and across the Company's broader asset portfolio
- The Company continues to engage with global nuclear energy utilities with the intent of securing uranium offtake contracts with sufficient duration and value to underpin the restart of LHM
- Publication of Paladin's 2021 Sustainability Report
- No lost-time injuries or reportable environmental incidents were recorded during the quarter
- Cash expenditure for the quarter was US\$2.4M
- The Company held US\$38.0M² of cash and cash equivalents as at 31 December 2021, and holds no corporate debt.

¹ ASX Announcement 'Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update' released on 4 November 2021

² Excluding restricted cash of US\$1M



Paladin CEO, Ian Purdy said *“The Restart Plan Update is the conclusion of an extensive work stream that has reinforced our confidence in Langer Heinrich as a low risk, robust, long-life operation. We continue to engage with global nuclear energy utilities to secure long term contracts to underpin the restart of Langer Heinrich and ensure the project, when restarted, will deliver significant economic benefit to all of our stakeholders. The improving structural outlook for uranium markets and the transition towards the decarbonisation of global electricity generation provides the platform for an exciting period ahead for Paladin and I look forward to updating you on our progress.”*

MINING PRODUCTION AND DEVELOPMENT ACTIVITIES

Langer Heinrich Mine Restart Plan Update

During the quarter, the Company released the Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update¹.

The Restart Plan Update reflects the extensive work programs which have been undertaken since the Langer Heinrich Mine Restart Plan² (the **Restart Plan**) was completed on 30 June 2020, and presented an update to the Mineral Resources and Ore Reserves Estimates for the Langer Heinrich Mine (**LHM, Langer Heinrich or the Project**).

The Restart Plan Update confirmed or updated key capital and operating costs and the production profile assumptions and has de-risked the pathway to bring Langer Heinrich back into production. Key highlights from the Restart Plan Update include:

- Restart capital cost assumption reaffirmed at US\$81M
- Confirmation of a 17 year estimated mine life for Langer Heinrich with the life of mine production target increased from 76.1Mlb to 77.4Mlb of U₃O₈
- Ore Reserves of 84.8Mt with an average U₃O₈ grade of 448ppm support the 17 year mine plan
- Estimated Life of Mine C1 Cost of Production has been confirmed at US\$27.40/lb for the updated mine plan, reflecting more detailed consumables analysis and updated mining contractor rates
- Confirmed an estimated project execution timeframe of 18 months from project commencement to first production, with full production achieved after a further 15 months
- The Company has developed an accelerated schedule with an optimised LHM project execution plan which may be implemented to meet customer requirements, and includes the possibility of self-funding early works in FY2022 and fast tracking first production when a decision to restart is made.

The workstreams undertaken as part of the Restart Plan Update reinforce the Company’s confidence in Langer Heinrich as a low risk, robust, long-life operation. With a robust and well-defined restart plan at LHM, Paladin will focus immediate efforts on exploring the upside optionality across the Company’s asset portfolio.

¹ ASX Announcement ‘Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update’ released on 4 November 2021

² ASX Announcement ‘Langer Heinrich Mine Restart Plan’ released on 30 June 2020



Langer Heinrich Mineral Resource and Ore Reserve Update

During the quarter Paladin provided an update to the Mineral Resource and Ore Reserve Estimates. These estimates replaced the reported Langer Heinrich Mineral Resources and Ore Reserves in the Company's 2021 Annual Report.

Production and Development Activities

- The Langer Heinrich Mine remained on care and maintenance and there were no production or development activities during the quarter
- Activities during the quarter continued to focus on care and maintenance including the preservation of the LHM processing plant and related infrastructure as well as the continuation of restart and debottlenecking planning
- The removal of redundant plant and equipment progressed improving safety and access within the plant facility
- Environmental monitoring of air, water quality, energy, land-use, radiation, and biodiversity continued within the LHM mining license areas.

MINING EXPLORATION ACTIVITIES

- The Company continues to manage its significant exploration portfolio in Australia and Canada
- The review and design of the Company's exploration strategy to advance the portfolio of high grade exploration assets is progressing
- Minimum tenement expenditure commitments were met during the quarter
- The Company is engaged on an ongoing basis with local communities, government and native title holders
- Rehabilitation monitoring continues across all locations without incident
- The Company's tenement holdings at the end of the quarter and their location are detailed in Appendix One.

OCCUPATIONAL HEALTH AND SAFETY

- The Company had no lost time injuries or reportable environmental incidents recorded during the quarter
- Three employees at the LHM tested positive to COVID-19 during the quarter and have since fully recovered. The Company continued to maintain appropriate protocols across all locations to minimise the potential transmission of COVID-19
- During the quarter, four Hospivac machines were received and provided to the Office of the Governor of the Erongo Region near the LHM as part of the Company's commitment to assist with the COVID-19 pandemic

CORPORATE ACTIVITIES

- Paladin was included in the S&P/ASX 200 Index effective prior to the open of trading on 20 December 2021
- Paladin published its 2021 Sustainability Report during the quarter. Paladin continues to develop its Sustainability Framework as it evolves from care and maintenance activities to consideration of a restart and production
- Paladin hosted its Annual General Meeting on 17 November 2021. All resolutions were decided by poll and passed.



Cash and Expenditure

- Cash and cash equivalents at 31 December 2021 of US\$38.0M (excluding restricted cash of US\$1M)
- The Company continues to manage expenditure within expectations with net cash expenditure for the quarter of US\$2.4M
- Cash expenditure during the quarter is detailed in the following table:

Cash Expenditure	US\$M
LHM Care & Maintenance	(1.0)
LHM Restart Planning	(0.5)
Exploration	(0.2)
Corporate Costs	(1.0)
Other Net Proceeds	0.2
Foreign Exchange Movement	0.1
TOTAL	(2.4)

Related Party Payments

- Payments of US\$100,068 were made to related parties and their associates during the quarter, being the payment of Director's Fees as noted in Section 6 of Appendix 5B.

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

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About Paladin

Paladin Energy Limited (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.



APPENDIX ONE

TENEMENT INFORMATION REQUIRED BY LISTING RULE 5.3.3

Tenement	Location	Ownership	Change in Quarter
EPM 11898	QLD, Australia	20%	No change
EPM 13412	QLD, Australia	20%	No change
EPM 13413	QLD, Australia	20%	No change
EPM 13682	QLD, Australia	20%	No change
EPM 14233	QLD, Australia	18%	No change
EPM 14694	QLD, Australia	20%	No change
EPM 14712	QLD, Australia	20%	No change
EPM 14821	QLD, Australia	20%	No change
EPM 14935	QLD, Australia	20%	No change
EPM 15156	QLD, Australia	20%	No change
MDL 507	QLD, Australia	100%	No change
MDL 508	QLD, Australia	100%	No change
MDL 509	QLD, Australia	100%	No change
MDL 510	QLD, Australia	100%	No change
MDL 511	QLD, Australia	100%	No change
MDL 513	QLD, Australia	100%	No change
M08/86	WA, Australia	100%	No change
M08/87	WA, Australia	100%	No change
M08/88	WA, Australia	100%	No change
E08/1645	WA, Australia	100%	No change
E08/1646	WA, Australia	100%	No change
EL 6132	SA, Australia	7.5%	No change
ML 140	Namibia, Africa	75%	No change
ML 172	Namibia, Africa	75%	No change
022147M	NL, Canada	65%	No change
024697M	NL, Canada	65%	No change
024995M	NL, Canada	65%	No change
025621M	NL, Canada	65%	No change
025641M	NL, Canada	65%	No change
025649M	NL, Canada	65%	No change
025651M	NL, Canada	65%	No change
025658M	NL, Canada	65%	No change
025675M	NL, Canada	65%	No change
025676M	NL, Canada	65%	No change
025677M	NL, Canada	65%	No change
025678M	NL, Canada	65%	No change
025680M	NL, Canada	65%	No change
025681M	NL, Canada	65%	No change
025932M	NL, Canada	65%	No change