



# PALADIN

Clean energy. Clear future.

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**ASX Announcement**  
**20 October 2022**

## **Quarterly Activities Report** **For the period ending 30 September 2022**

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Paladin Energy Ltd (**Paladin** or the **Company**) is pleased to provide an update on its activities and cashflow for the quarter ended 30 September 2022.

### **HIGHLIGHTS**

- Paladin made the decision to return the Langer Heinrich Mine to production with restart project activities well underway and first production targeted for Q1 CY2024
- Key work packages for the quarter included the continued removal of redundant equipment, award of the EPCM Services contract, progression in purchasing activities and site establishment activities
- Paladin successfully executed the offtake agreements for the previously announced tender award and the agreements have been submitted to the Namibian Government for approval
- The Company has secured an additional four tender awards for the supply of uranium to industry-leading counterparties in the US and Europe and is working towards finalising contract terms
- The Company successfully conducted the summer exploration field program at the Michelin Project in Labrador, Canada
- Paladin completed the implementation of the Sustainability Accounting Standards Board (SASB) framework with the 2022 Sustainability Report released on 20 October 2022
- No lost-time injuries or reportable environmental incidents were recorded during the quarter
- Unrestricted cash at 30 September 2022 of US\$163.4 million.

Paladin CEO, Ian Purdy said *“It was pleasing to see restart activities commence at the Langer Heinrich Mine during the quarter. The attractiveness of Paladin as a counterparty and the quality of the offtake from the Langer Heinrich Mine continues to be reflected in the ongoing engagement we have with global power utilities, and we were pleased to secure an additional four tender awards for the supply of uranium concentrate. With the combination of restart activities and a successful uranium marketing program Paladin is exceptionally well positioned to benefit from the improving uranium market conditions.”*



## **MINING PRODUCTION AND DEVELOPMENT**

There were no lost-time injuries or reportable environmental incidents recorded during the quarter.

On 19 July 2022, Paladin committed to the restart of the Langer Heinrich Mine (LHM) to return the mine to production, with the decision supported by strong uranium market fundamentals and continued progress on uranium marketing activities.

The Restart Project is focused on general Repairs and Refurbishment (R&R) to return the existing process plant to operational readiness, coupled with the delivery of Growth Projects (GP) such as process upgrades to increase throughput capacity and operational availability. The ADP Group has been appointed to provide EPCM services and will project manage the work packages and contract management alongside the Company's owners team.

During the quarter, the project progressed the following activities:

- Site contractors and LHM personnel have continued removing redundant equipment in preparation for process upgrades and improved plant maintainability
- Completion of site establishment activities in preparation for receiving site construction contractors and project equipment and materials
- The Namibian Government water authority, NamWater, has confirmed the availability and supply of water for the LHM water supply capacity nominations required for the life of the mine
- The Namibian Government Power authority, NamPower, has confirmed the initial supply and upgrade pathway for the LHM life of mine power requirements
- Purchasing activities for new equipment and refurbishment parts and materials
- The continuation of debottlenecking planning and the preservation of the LHM processing plant and related infrastructure.

Activity for the December quarter will focus on completion of the redundant equipment removal, contracting of site work packages including mobilisation and commencement of the multidiscipline R&R scope packages and GP civils, and progression of the NamPower and NamWater agreements and infrastructure upgrade works.

## **EXPLORATION**

The Company continues to manage its significant exploration portfolio in Australia and Canada.

During the quarter, the Company conducted the Michelin summer exploration field program in Canada, which included the on-ground review of historic data and work previously completed. Mapping of the structural architecture of prospective areas within the tenement group at the Michelin Project was also undertaken. The Company is awaiting completion of the airborne gravity-gradiometry survey, and the results from the survey and mapping conducted will be used to finalise plans for the exploration drilling program in FY2024.

Discussions remain ongoing with the Michelin Joint Venture partner regarding the sales process under the terms of the Joint Venture Agreement (if the 52 week average of the uranium price is US\$40/lb or more, the joint venture must use its best efforts to procure the sale of the entire project to a third party).



Paladin has the right, acting reasonably, to determine if any offer made under any sales process is acceptable. Paladin has a right of pre-emption to acquire the minority shareholder's interest in the joint venture.

Paladin met all tenement expenditure commitments during the quarter, at a minimum cost. The Company remains engaged on an ongoing basis with local communities, government and native title holders, and continues to explore value enhancement opportunities across the Company's broader asset and exploration portfolio.

The Company's tenement holdings at the end of the quarter and their locations are detailed in Appendix One.

## **URANIUM MARKETING**

Paladin has successfully executed the offtake agreements for the tender award announced on 31 March 2022, to supply uranium concentrates to a leading Fortune 150 North American power utility, with supply to commence in 2024. The agreements have been submitted to the Namibian Government for approval.

During the quarter, Paladin secured four additional tender awards for the supply of uranium to industry-leading counterparties in the US and Europe. The awards are subject to the execution of final contracts and approval by the Namibian Government. The Company will provide guidance on volumes and pricing mechanisms once final contracts are executed.

The Company also successfully renegotiated the payment terms in its offtake agreement with CNNC. The accelerated payment terms will improve Paladin's liquidity and working capital position, particularly during the production ramp-up phase.

Paladin will continue to build relationships with top-tier industry counterparties as the Company seeks to layer industry leading offtake agreements ahead of production.

## **CORPORATE**

During the quarter, Paladin completed the implementation of the Sustainability Accounting Standards Board (SASB) framework. Paladin has reported on its approach to sustainable development within its Annual Report or in a standalone Sustainability Report since 2008. The 2022 Sustainability Report was released on 20 October 2022, presenting detailed and transparent measures of our ESG related actions over the past year, and our focus on strengthening and upholding commitments into the future.

Paladin is committed to continuing to follow the Sustainability Accounting Standards Board (SASB) framework, with the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD) frameworks to follow as the Langer Heinrich Mine restarts production. These leading ESG reporting frameworks support our journey to creating and delivering value for all our stakeholders.



## Cash and Expenditure

Paladin held cash and cash equivalents at 30 September 2022 of US\$163.4M (excluding restricted cash of US\$1M), with no corporate debt.

The Company's net cash expenditure for the quarter was US\$5.1M. The Company will maintain its Corporate spending discipline, whilst ramping up activities at the LHM to support operational readiness and uranium marketing. Exploration fieldwork and development studies have recommenced at the Michelin project in Labrador, Canada.

Cash expenditure during the quarter is detailed in the following table:

Cash Expenditure	US\$M
LHM Operations <sup>1</sup>	(1.5)
LHM Restart Project	(2.0)
Exploration	(0.4)
Corporate Costs	(1.2)
<b>Total Cash Expenditure</b>	<b>(5.1)</b>
Other Net Proceeds	0.7
Foreign Exchange Movement	(9.2)
<b>TOTAL CASH MOVEMENT</b>	<b>(13.6)</b>

<sup>1</sup>Net of US\$0.085M received in arrears by Langer Heinrich Uranium Pty Ltd from CNNC for FY2022 care and maintenance activities

## Related Party Payments

Payments of US\$93,630 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 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 OTCQX:PALAF) is an Australian listed, independent uranium company with a focus on restarting its globally significant Langer Heinrich Mine, currently progressing to commercial production in CY2024. With a proven operations performance over 10 years, Langer Heinrich is on track for successful, long-life operations delivering real stakeholder value. The mine's future-facing drive includes a robust ESG framework in place to support its accountability-led contribution to decarbonisation.

The Company also owns a large global portfolio of uranium exploration and development assets. As nuclear power remains a leading sustainable source of low-carbon electricity generation, Paladin has a clear role in positive, worldwide change.

## **Forward-looking statements**

This announcement contains certain forward-looking statements. The Company cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. 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.



## 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	70%	No change
024697M	NL, Canada	70%	No change
024995M	NL, Canada	70%	No change
025621M	NL, Canada	70%	No change
025641M	NL, Canada	70%	No change
025649M	NL, Canada	70%	No change
025651M	NL, Canada	70%	No change
025658M	NL, Canada	70%	No change
025675M	NL, Canada	70%	No change
025676M	NL, Canada	70%	No change
025677M	NL, Canada	70%	No change
025678M	NL, Canada	70%	No change
025680M	NL, Canada	70%	No change
025681M	NL, Canada	70%	No change
025932M	NL, Canada	70%	No change