



PALADIN ENERGY LTD

ACN 061 681 098

13 March 2020

By electronic lodgement

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

PALADIN COMPLETES KAYELEKERA SALE

Highlights

- **Kayelekera Sale completed on 13 March 2020**
- **Significant financial benefits to Paladin from the sale with a major reduction in ongoing cash expenditure**

Paladin Energy Limited (ASX:**PDN**) ("**Paladin or the Company**") is pleased to announce the completion of the sale of its 85% interest in Paladin (Africa) Ltd to Lotus Resources Limited (65%) and Lily Resources Pty Ltd (20%). Paladin will hold the interest on trust pending receipt of the final in-country approvals.

The key commercial aspects of the sale are:

- Consideration of A\$5M, comprising A\$200k cash (received) and A\$4.8M in Lotus Resources Limited shares to be issued to Paladin (A\$1.8M on completion representing 90,000,000 shares at a 2cps issue price, subject to a 12-month voluntary escrow and A\$3M on the third anniversary of completion of the transaction);
- A 3.5% royalty based on revenues derived from future production at Kayelekera, capped at A\$5M;
- The repayment of funds advanced to provide security for the US\$10M environmental performance bond. The repayments will occur in four tranches: US\$4M on Completion, US\$1M on the first anniversary, US\$2M on the second anniversary and the final US\$3M on the third anniversary of completion of the transaction;
- Paladin to pay Lotus US\$2M to fund planned site restoration including water treatment in recognition of the recent record rainfall at the Kayelekera operations;
- As per the announcement made by Paladin on 20 August 2019, Paladin will be required to pay a consent fee to Noteholders which is expected to be US\$1.15M, to be paid within ten days of completion; and
- Paladin has paid US\$200k in VAT and received tax clearance in Malawi.

After costs, Paladin estimates its unrestricted cash balance to be approximately US\$35M.

Following completion of this transaction, Paladin's forecast cash expenditure is expected to reduce by approximately US\$5M per annum. The Company's total cash spend for FY2021 is forecast to be less than US\$10M. Further guidance on cash expenditure will be provided following approval of the FY2021 budget in June 2020.

Paladin CEO, Ian Purdy said *"The completion of the sale is a positive step forward for Paladin and one which will deliver significant financial benefits to the company. We can now prioritise our efforts and resources on maximising the value of our world class Langer Heinrich operation. We are also pleased to be a major shareholder of Lotus Resources Limited and look forward to their future success in adding value to the Kayelekera mine in Malawi."*

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 with a 75% stake in the Langer Heinrich uranium mine in Namibia and a large global portfolio of uranium exploration and development assets.

Langer Heinrich is a globally significant, long-life operation, having already produced over 40 million pounds of U₃O₈ to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Nuclear power remains a cost-effective, low carbon option for electricity generation.