



# PALADIN

Clean energy. Clear future.

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**ASX Announcement**  
**28 April 2022**

## **Quarterly Activities Report** **For the period ending 31 March 2022**

Paladin Energy Ltd (ASX:PDN OTCQX:PALAF) (**Paladin** or the **Company**) is pleased to provide an update on its activities and cashflow for the quarter ended 31 March 2022.

### **HIGHLIGHTS**

- Paladin secured a Uranium Sales Tender Award (Tender Award) for an offer to supply uranium concentrates to a leading Fortune 150 North American power utility. The Tender Award contemplates the supply of up to 2.1Mlb of U<sub>3</sub>O<sub>8</sub> over a six year period commencing in 2024
- The Company executed a fully underwritten A\$200 million institutional placement with the proceeds to be applied to fund the restart of the globally significant Langer Heinrich Mine
- The Company announced a share purchase plan on 31 March 2022 which aims to raise up to A\$15 million in addition to the institutional placement
- A well-defined Mine Restart Plan<sup>1</sup> provides a low-risk pathway to a return to production targeted for CY2024. A formal restart project launch is expected in July 2022 with early works activities commencing immediately
- Paladin continues to explore value enhancement opportunities at Langer Heinrich and across the Company's broader asset portfolio
- The Company continues to engage with global nuclear energy utilities
- No lost-time injuries or reportable environmental incidents were recorded during the quarter
- Cash at period end of US\$38.8 million excluding proceeds from the placement. Pro-forma<sup>2</sup> quarter end cash of US\$183.3 million.

Paladin CEO, Ian Purdy said *"With the strength of the Company's existing uranium sales offtake with CNNC combined with the recent successful Tender Award and the continuing strong uranium market fundamentals, Paladin can now confidently work towards a formal commencement of the Langer Heinrich Mine Restart Project. The extensive workstreams we have conducted reinforce our confidence in Langer Heinrich as a low risk, robust, long-life operation that is poised to take advantage of the improving uranium market conditions and deliver sustainable value creation for all of our stakeholders."*

<sup>1</sup> ASX Announcement "Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update" dated 4 November 2021

<sup>2</sup> Assumed FX AUD/USD 0.75. Includes proceeds from the institutional placement (A\$200m) but excludes any proceeds from the Share Purchase Plan (SPP)



## **OCCUPATIONAL HEALTH AND SAFETY**

- The Company had no lost-time injuries or reportable environmental incidents recorded during the quarter
- Appropriate protocols continued to be maintained by the Company across all locations to minimise the potential transmission of COVID-19
- The Company donated equipment to the Namibian Institute of Mining and Technology (NIMT)
- Langer Heinrich team members participated in a coastal clean-up campaign organised in conjunction with OHS representatives and the 'Have-a-Heart' charity organisation.

## **MINING PRODUCTION AND DEVELOPMENT ACTIVITIES**

- The Langer Heinrich Mine (LHM) remained on care and maintenance for the quarter and there were no production or development activities during the quarter
- Site work and contractor activity returned to normal levels as government restrictions in relation to COVID-19 were eased
- Environmental monitoring of air, water quality, energy, land-use, radiation, and biodiversity continued within the LHM mining license areas
- Other activities during the quarter included the continuation of restart activities, debottlenecking planning and the preservation of the LHM processing plant and related infrastructure
- Development of the operational readiness schedule and critical activity pathway
- Preparation of long lead contracts and procurement packages
- Ongoing communication with NamWater and NamPower over the security of supply and future offtake agreements.

## **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, at a minimum cost
- The Company is engaged on an ongoing basis with local communities, government and native title holders
- Rehabilitation monitoring continues across all locations without incident
- Discussions have commenced with the Michelin Joint Venture partner regarding the need to provide a 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 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
- The Company's tenement holdings at the end of the quarter and their locations are detailed in Appendix One.



## **URANIUM MARKETING ACTIVITIES**

During the quarter the Company secured a Uranium Sales Tender Award<sup>1</sup> (Tender Award) for an offer to supply uranium concentrates to a leading Fortune 150 North American power utility. The Tender Award contemplates the supply of up to 2.1Mlb of U<sub>3</sub>O<sub>8</sub> over a six year period commencing in 2024 (representing approximately 5% of total production over this period), with the utility having the option to extend these annual supply arrangements for another three years.

Pricing for the Tender Award is based on an agreed US\$ base price per lb (with that base price being set having regard to a range of factors, including the expected all-in sustaining costs of Langer Heinrich (factoring in an appropriate margin) and a range of current uranium pricing metrics), inflation-adjusted from the date of execution of the binding offtake contract.

The Tender Award is consistent with Paladin's uranium marketing strategy of securing contracts with industry leading counterparties. Paladin has an existing offtake agreement with CNNC Overseas Uranium Holding Limited (CNNC) for up to 25% of the Langer Heinrich future life-of-mine production, utilising a spot-market pricing mechanism.

Paladin continues to engage with global power utilities with a view to securing further offtake agreements.

## **CORPORATE ACTIVITIES**

### **Successful A\$200 million Placement**

Paladin successfully completed an institutional placement (Placement) of new fully paid ordinary shares in Paladin (New Shares). The Placement raised ~A\$200 million (before costs) through the issue of approximately 278 million New Shares at an offer price of A\$0.72 per share. The offer price was at an:

- 8.9% discount to the last closing price of Paladin shares on ASX of \$0.79 on 30 March 2022 (being the last date Paladin shares traded prior to announcement of the Placement); and
- 12% discount to the 5-day volume average weighted price (VWAP) up to and including 30 March 2022.

The proceeds from the Placement will be applied to fund the restart of uranium mining operations at the Langer Heinrich Mine, and for working capital expenses and fees.

### **Launch of Share Purchase Plan (SPP)**

In addition to the Placement, Paladin launched a Share Purchase Plan (SPP) to raise up to an additional A\$15 million. The SPP enabled Paladin shareholders as at the record date of 7.00pm (AEDT) on 30 March 2022 with a registered address in Australia or New Zealand (Eligible Shareholders) to have the opportunity to apply for the New Shares at the same price as the Placement, being A\$0.72 per New Share. Eligible Shareholders were offered the opportunity under the SPP to apply for up to A\$30,000 worth of New Shares. The SPP closed on Tuesday 26 April 2022.

<sup>1</sup> See ASX Announcement dated 31 March 2022 in relation to Tender Award. Remains subject to execution of a legally binding offtake contract



### Cash and Expenditure

- Cash and cash equivalents at 31 March 2022 of US\$38.8M (excluding restricted cash of US\$1.0M)
- Post the successful completion of the Placement, Paladin will have a pro forma cash position of US\$183.3M and no corporate debt
- The Company continues to manage expenditure within expectations with net cash expenditure for the quarter of US\$2.4M, excluding foreign exchange movements of US\$1.1M and US\$2M received from Lotus Resources Ltd in relation to the sale of Paladin (Africa) Ltd
- Cash expenditure during the quarter is detailed in the following table:

Cash Expenditure	US\$M
LHM Care & Maintenance <sup>1</sup>	(0.7)
LHM Restart Planning	(0.4)
Exploration	(0.2)
Corporate Costs	(1.1)
<b>Total Cash Expenditure</b>	<b>(2.4)</b>
Other Net Proceeds	2.0
Foreign Exchange Movement	1.1
<b>TOTAL CASH MOVEMENT</b>	<b>0.7</b>

### Related Party Payments

- Payments of US\$100,050 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.

<sup>1</sup> Net of US\$0.08M received by Langer Heinrich Uranium Pty Ltd from CNNC to fund care and maintenance activities

*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 uranium company focused on maximising the value of its 75% stake in the Langer Heinrich Mine in Namibia.

Langer Heinrich is a globally significant, long-life operation, having already produced over 43Mlb U<sub>3</sub>O<sub>8</sub> 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