



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 238074

21 October 2011

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

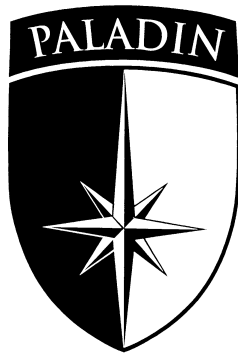
Dear Sir/Madam

Notice of Annual General Meeting to Shareholders

Attached, please find Notice of Annual General Meeting and Proxy Form in respect of the meeting to be held 24 November 2011 at 10:00am.

Yours faithfully
Paladin Energy Ltd

GILLIAN SWABY
Company Secretary



PALADIN ENERGY LTD

ACN 061 681 098

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

MANAGEMENT INFORMATION CIRCULAR

Date of Meeting

Thursday, 24 November 2011

Time of Meeting

10:00am Perth time

Place of Meeting

Perie Banou Room,
Royal Perth Yacht Club
Australia II Drive
Crawley, Western Australia, 6009

**PALADIN ENERGY LTD
ACN 061 681 098**

NOTICE OF ANNUAL GENERAL MEETING

TO THE HOLDERS OF ORDINARY SHARES OF PALADIN ENERGY LTD:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Paladin Energy Ltd ("**Company**") will be held in the Perie Banou Room, at The Royal Perth Yacht Club, Crawley, Western Australia on 24 November 2011 at 10:00am WST for the purpose of transacting the following business.

AGENDA

BUSINESS

A Management Information Circular containing information in relation to each of the following resolutions accompanies this Notice of Meeting.

1.1 FINANCIAL REPORT

To receive the financial report for the year ended 30 June 2011, and the Directors' and Auditors' Reports thereon.

Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"To adopt the Remuneration Report for the year ended 30 June 2011."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

No votes can be cast by or on behalf of a member of Key Management Personnel (as identified in the Remuneration Report) (KMP) and their closely related parties (as defined in the *Corporations Act 2011*) (collectively referred to as a Prohibited Voter). However, a Prohibited Voter may vote directed proxies for someone other than a Prohibited Voter. If you do not direct the Chairman of the meeting how to vote and you are not a Prohibited Voter, by marking the box on, and submitting, the Proxy Form you authorise the Chairman of the meeting to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed him to vote in accordance with his stated intention to vote in favour of this resolution. If you do not want your vote exercised in favour of this resolution you should direct the Chairman of the meeting to vote 'against', or abstain from voting on, this resolution.

Resolution 2 – Re-election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Sean Llewelyn be re-elected as a Director".

Resolution 3 – Amendments to Constitution

To consider and, if thought fit, pass the following resolution as a **special resolution**:

"That pursuant to section 136 of the Corporations Act, the Company's Constitution be amended as set out in the Explanatory Memorandum accompanying this Notice of Meeting".

NB: Special resolutions require the approval of at least 75% of votes of those members of the Company at the meeting in person or by proxy.

Resolution 4 – Ratification of Share Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company ratifies the allotment and issue of 56,866,232 Ordinary Shares."

For the purposes of Resolution 4:

- (1) The shares issued are Ordinary Shares which rank *pari passu* with existing shares.
- (2) The Company will disregard any votes cast on this Resolution 4 by any person who participated in the issue or any associate of that person. However, the Company need not disregard a vote if:
 - it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purpose of this Notice of Meeting, Management Information Circular and Resolutions 1 to 4:

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Company**" or "**Paladin**" means Paladin Energy Ltd ACN 061 681 098;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**EDT**" means Canadian Eastern Daylight Time;

"**Listing Rules**" means the listing rules of the ASX;

"**Notice**" means the Notice of Annual General Meeting accompanying this Management Information Circular;

"**Shares**" or "**Ordinary Shares**" means fully paid ordinary shares in the Company;

"**Shareholder**" means the holder of Shares;

"**TSX**" means the Toronto Stock Exchange; and

"**WST**" means Australian Western Standard Time.

Other business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

By order of the Board

A handwritten signature in black ink, appearing to read 'G. Swaby', with a stylized flourish at the end.

Gillian Swaby
Company Secretary
Dated: 12 October 2011

PROXIES

A Shareholder entitled to attend and vote at the above Annual General Meeting of Shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

For Shareholders on the Australian register, proxies must be delivered prior to 10:00am WST on Tuesday, 22 November 2011 to:

Computershare Investor Services Pty Limited

GPO Box 242
Melbourne VICTORIA 3001
AUSTRALIA

Or Facsimile:
Australia: 1800 783 447
Overseas: +61 3 9473 2555

For Shareholders on the Canadian register, proxies must be delivered prior to 10:00am EDT on Tuesday, 22 November 2011 to:

Computershare Investor Services Inc

Attention: Proxy Dept.
100 University Avenue
9th Floor
TORONTO, ON M5J 2Y1 CANADA
Telephone: 1-800-564-6253/514-982-7555

Or Facsimile: 1 866 249 7775

ENTITLEMENT TO VOTE AND RECORD DATE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Shares at 5:00pm WST on Tuesday, 22 November 2011 will be entitled to attend and vote at the Annual General Meeting.

For the purposes of section 2.1 of Canadian National Instrument 54-101 the Directors have fixed the record date for notice of the Annual General Meeting as Tuesday, 18 October 2011.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'. Information in relation to proxy voting is set out in the following documentation.

DATED at Perth, Western Australia, on 12 October 2011.

MANAGEMENT INFORMATION CIRCULAR

12 OCTOBER 2011

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **PALADIN** for use at the Annual General Meeting of the Company (the "Meeting") to be held on Thursday, 24 November 2011, and any adjournments thereof, at the time and place and for the purposes set forth in the accompanying Notice.

VOTING BY PROXIES

This section headed "Voting by Proxies" only applies to registered holders (each a "Shareholder") of Ordinary Shares.

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly come before the Meeting. On any ballot, the Ordinary Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly. **If a choice is not specified with respect to any matter, the Ordinary Shares represented by a proxy given to management are intended to be voted in favour of the resolutions contemplated herein. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.** For Shareholders on the Australian register, proxies must be delivered prior to 10:00am WST on Tuesday, 22 November 2011 to:

Computershare Investor Services Pty Limited

GPO Box 242
Melbourne VICTORIA 3001
AUSTRALIA

Or Facsimile:
Australia: 1800 783 447
Overseas: +61 3 9473 2555

For Shareholders on the Canadian register, proxies must be delivered prior to 10:00am EDT on Tuesday, 22 November 2011 to:

Computershare Investor Services Inc

Attention: Proxy Dept.
100 University Avenue
9th Floor
TORONTO, ON M5J 2Y1 CANADA
Telephone: 1-800-564-6253/514-982-7555

Or Facsimile: 1 866 249 7775

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to persons who beneficially own Ordinary Shares, as a substantial number of such persons do not hold Ordinary Shares in their own name. Persons who hold Ordinary Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold such securities in their own name (referred to in this section as "Beneficial Holders") should note that only proxies deposited by persons whose names appear on the records of the Company may be recognised and acted upon at the Meeting. If Ordinary Shares are listed in an account statement provided to a Beneficial Holder by a broker, then in almost all cases those Ordinary Shares will not be registered in the Beneficial Holder's name on the records of the Company. Such Ordinary Shares will more likely be registered under the names of the broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder.

Without specific instructions, brokers, agents and nominees are prohibited from voting securities for their clients. **Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Ordinary Shares are communicated to the appropriate person by the appropriate time.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of shareholders' meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Ordinary Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form supplied to a Beneficial Holder by its broker, agent or nominee is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Company ("IICC"). IICC typically supplies a voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to IICC or follow specified telephone voting procedures. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the appropriate Meeting. **A Beneficial Holder receiving a voting instruction form from IICC cannot use that form to vote Ordinary Shares directly at the Meeting - the voting instruction forms must be returned to IICC or the telephone procedures completed well in advance of the Meeting in order to have such Shares voted.**

Although Beneficial Holders may not be recognised directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent or nominee, a Beneficial Holder may attend at the Meeting as proxy holder for the Shareholder and vote the Ordinary Shares, as the case may be, in that capacity. Beneficial Holders who wish to attend at the Meeting and indirectly vote their Ordinary Shares, as the case may be, as proxy holder for the registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the *Corporations Act*, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

PERSONS MAKING THE SOLICITATION

This solicitation of proxies is made by management of the Company. The cost of the solicitation has been and will be borne by the Company.

DIRECT VOTES (Australian Share Register only)

A direct vote will enable Shareholders to vote on resolutions considered at the Meeting by lodging their votes with the Company prior to the meeting. Direct voting will enable Shareholders to exercise their voting rights without the need to attend the meeting or appoint a proxy.

A Shareholder may lodge a direct vote by using the voting form provided with this Notice.

A Shareholder may lodge a direct vote by indicating on the voting form that the Shareholder is casting the Shareholder's vote directly and then placing a mark in one of the boxes opposite each item of business on the voting form. All of the Shareholder's Ordinary Shares will be voted in accordance with such direction, unless the Shareholder indicates that the Shareholder's direction is:

- (a) to vote only a portion of the Shareholder's votes on any item; or
- (b) to cast the Shareholder's votes in different ways on any item,

by inserting the number of Shares in the appropriate box or boxes.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then does not mark any of the boxes on a given item, no votes will be voted on that item.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then marks more than one box on an item, the Shareholder's vote on that item will be invalid. If a Shareholder inserts a number of Shares in boxes on any item that in total exceed the number of Ordinary Shares the Shareholder holds as at the voting entitlement time, the Shareholder's vote on that item will be invalid, unless the Shareholder inserted a number of Shares in one box only on an item which exceeds the number of Ordinary Shares that the Shareholder holds at that time, in which case the Shareholder's vote will be taken to be valid for the number of Ordinary Shares actually held by that Shareholder at that time.

Please note, a Shareholder who has cast a direct vote may attend the Meeting, however, the Shareholder's attendance cancels the direct vote unless the Shareholder instructs the Company or the Share Registry otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of 12 October 2011, the issued and outstanding capital of the Company consists of 835,391,964 Ordinary Shares. Subject to certain exclusions of votes contemplated below, each Ordinary Share is entitled to be voted at the Meeting. On a ballot, each Ordinary Share is entitled to one vote.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Ordinary Shares at 5:00pm WST on Tuesday, 22 November 2011 will be entitled to attend and vote at the Annual General Meeting.

For the purposes of section 2.1 of Canadian National Instrument 54-101, the Directors have fixed the record date for notice of the Annual General Meeting as Tuesday, 18 October 2011.

A simple majority of votes cast are required to approve all **ordinary resolutions** to be submitted to a vote of Shareholders at the Meeting.

Special resolutions require the approval of at least 75% of votes of those members of the Company at the meeting in person or by proxy.

PARTICULARS OF MATTERS TO BE ACTED ON

The following information is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of the Company.

The Directors recommend Shareholders read this in full before making any decision in relation to the resolutions, in accordance with Section 250R of the Corporations Act.

Annual Accounts

Appropriate time will be devoted to the consideration of the Financial Statements and Reports of the Company for the year ended 30 June 2011.

ORDINARY RESOLUTIONS

Resolution 1 – Remuneration Report

The Board is voluntarily submitting its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding resolution as required under the Corporations Act.

The Remuneration Report forms part of and is clearly identified in the Directors' Report included in the 2011 Annual Report. The Report:

- Explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- Explains the relationship between the Board's remuneration policy and the Company's performance;
- Sets out remuneration details for each Director and Key Management Personnel of the Company; and
- Details and explains any performance conditions applicable to the remuneration of executive Directors and Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Voting exclusions apply to this resolution as specified in the Notice of AGM and the Proxy Form.

The Chairman of the meeting intends to vote all available proxies in favour of adoption of the Remuneration Report, subject to any instructions of the Shareholder to the contrary included in the proxy.

Resolution 2 – Re-election of Director

The Company's Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate shall retire from office to ensure that no Director holds office for a period in excess of three years or later than the third Annual General Meeting following the Director's appointment. Mr Llewelyn, therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mr Llewelyn originally qualified, and practised, as a solicitor in Australia and then re-qualified in England. He has subsequently worked in the finance and merchant banking industries for more than 20 years in Australia, the UK, the United States and South Africa. His considerable finance experience has been in derivatives (a founder, President and CEO of Capital Market Technology Inc.), structured finance and early stage investment relating to the metal markets. He has been involved with the uranium industry for many years and has a comprehensive understanding of the uranium market.

Mr Llewelyn was the instigator and driving a force in the formation of Nufcor International Ltd, a major uranium marketing company, jointly owned between Anglo Gold and First Rand International.

Mr Llewelyn was appointed to the Paladin Board on 12 April 2005.

Information in respect of Mr Llewelyn, who is seeking re- election, and each other person whose term of office as a Director will continue after the meeting, including John Borshoff, an existing Director, who is not required by the Company's Constitution to retire at this Annual General Meeting, is set out below:

Name and Residence	Position with Paladin & Length of Time as Director	Current Principal Occupations & Principal Occupations during preceding 5 years	Shareholding (direct and indirect)	Committee Membership
Rick Wayne Crabb Western Australia, Australia (will seek re-election November 2013)	Chairman (27 March 2003 to present – 8 years); Non-executive Director (8 February 1994 to present)	Chairman: Paladin Energy Ltd (uranium supply and production) (2003 to present)	4,881,528	Remuneration Nomination Sustainability
Sean Reveille Llewelyn Queensland, Australia (will seek re-election November 2011)	Non-executive Director (12 April 2005 to present – 6 years)	Investor	100,000	Audit Nomination (Chair) Remuneration (Chair)
Donald Myron Shumka BC, Canada (will seek re-election November 2012)	Non-executive Director (9 July 2007 to present – 4 years)	Managing Director: Walden Management Ltd, (financial consulting firm) (2004 to 2011)	100,000	Audit (Chair) Nomination Remuneration
John Borshoff Western Australia, Australia (not required to seek re-election)	Managing Director/CEO (24 September 1993 to present – 18 years)	Managing Director/CEO: Paladin Energy Ltd (uranium supply and production) (24 September 1993 to present)	21,877,394	Nomination Sustainability

Name and Residence	Position with Paladin & Length of Time as Director	Current Principal Occupations & Principal Occupations during preceding 5 years	Shareholding (direct and indirect)	Committee Membership
Peter Mark Donkin NSW, Australia (will seek re-election November 2012)	Non-executive Director (1 July 2010 to present – 1 years)	Director: Mining Finance division of Société Générale in Australia (1996 to 2006) Managing Director: Managing Finance division of Société Générale in Australia (2006 to 2010) Financial consultant (2010 to present)	15,000	Audit
Philip Albert Baily NSW, Australia (will seek re-election November 2013)	Non-executive Director (1 October 2010 to present – 1 years)	Metallurgical Consultant (2005 to 2010)	12,000	Sustainability

Resolution 3 – Amendments to Constitution

Resolution 3 seeks approval to amend the Company's Constitution. It is proposed to amend sub-clause 13.4 Nomination of Directors for Election. The proposed amendment is to ensure the Company has sufficient time to respond to any non-board endorsed nominations, including sufficient time for printing and mailing of the notice of meeting. It is therefore proposed that the requirement for delivery to the Company of written notice of a non-board endorsed nomination be amended from 30 Business Days before the meeting to 45 Business Days before the meeting, as detailed below.

13.4 Replace "*at least 30 Business Days before the meeting*" with "*at least 45 Business Days before the meeting*".

The amended sub-clause 13.4 to read as follows:

13.4 Nomination of Directors for Election

No person, other than a Director seeking re-election, shall be eligible for election to the office of Director at any general meeting unless he or some Shareholder intending to propose his nomination has, at least 45 Business Days before the meeting, left at the Registered Office a notice in writing, duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office or the intention of such Shareholder to propose him. Notice of each and every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of the meeting at which the election is to take place.

Where the number of nominations for election as a Director exceeds the number of Directors who have or are to resign at the general meeting, the order in which the nominations are to be voted on shall be determined by drawing lots and once the relevant vacancies have been filled, no further nominations shall be voted on.

Resolution 4 – Ratification of Share Issue

The Shares referred to in Resolution 4 were issued on 6 October 2011 to institutional clients and sophisticated investors of RBC Capital Markets and UBS AG, Australia Branch acting as Global Joint Lead Placing Agents to the placement.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further Shares constituting up to 15% of the issued capital of the Company without requiring shareholder approval.

Information for Shareholders

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under Listing Rule 7.4:

- (a) Resolution 4 has been included so that Shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of a total of 56,866,232 Ordinary Shares to those parties referred to above.
- (b) The Ordinary Shares were issued at A\$1.20 per Ordinary Share.
- (c) The Ordinary Shares issued rank pari passu with, and on the same terms as, the existing Ordinary Shares on issue.
- (d) The funds raised by reason of the allotment will be used as follows:
 - To strengthen Paladin's balance sheet to ensure the Company is well placed to meet all future commitments and pursue identified growth initiatives.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Remuneration Committee, on behalf of the Board, monitors compensation of Directors and Executives of the Company. For the purpose of the Statement of Executive Compensation, the term Named Executive Officers (NEOs) will be used which incorporates the Managing Director/CEO, the Chief Financial Officer and the three other most highly compensated executive officers of the Company.

Generally, compensation is provided by the Company to its NEOs (including the Managing Director/CEO), by way of base salary, superannuation, short-term bonus and granting of employee options or share rights. The overall objective is to ensure that remuneration is fair and reasonable and sufficient to attract and retain qualified and experienced Directors and NEOs.

The overall focus of Paladin's remuneration strategy is to:

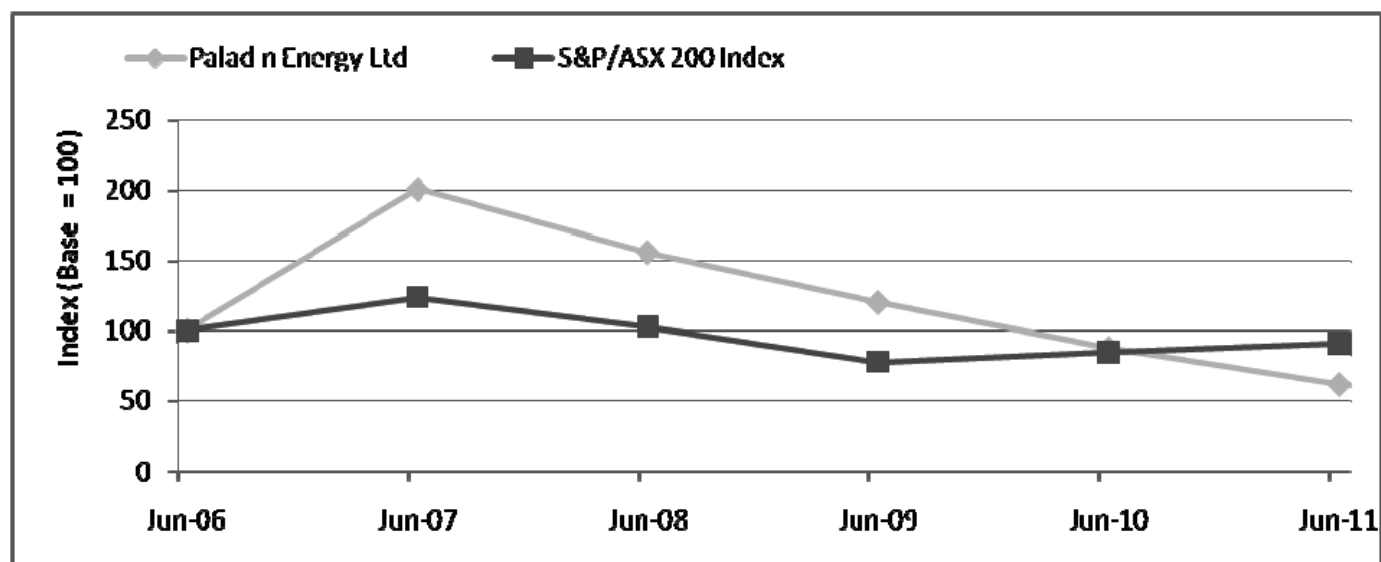
- Attract and retain talented, qualified and effective Executives.
- Motivate short and long-term performance and reward past performance.
- Provide competitive and fair reward.
- Be flexible and responsive in line with market expectations.
- Align Executive interests with those of the Company's shareholders; and
- Comply with applicable legal requirements and appropriate standards of governance.

It is important to note that this strategy applies across the Group, not only for Executives but all employees.

The overall level of compensation takes into account the Company's earnings and growth in shareholder wealth of the Company. Consideration of the Company's earnings will be more relevant as the Company matures and becomes profitable. The Performance Graph below compares, assuming an initial investment of A\$100, the yearly percentage change in the cumulative total shareholder return on the Company's

Ordinary Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company's five most recently completed financial years.

The Board is cognisant of general shareholder concern that long-term equity-based remuneration be linked to Company performance and growth in shareholder value. The recent Share Rights plan addresses this with performance conditions including reference to Earnings per Share (EPS), Total Shareholder Return (TSR) and Market Price conditions. These are considered in more detail further in this report.



	30 June 2007	30 June 2008	30 June 2009	30 June 2010	30 June 2011
The Company	A\$201	A\$156	A\$120	A\$87	A\$61
S&P/ASX 200 Index	A\$124	A\$103	A\$78	A\$85	A\$91
EPS*	US\$(0.07)	US\$(0.06)	US\$(0.78)	US\$(0.08)	US\$(0.11)

* Restated as a result of the voluntary change in accounting policy. For further details, see Note 3 to the Company's financial statements for the year ended 30 June 2011.

Individual efforts towards the success of the Company are not necessarily reflected in the Company's share price and therefore whilst the share price decreased from June 2007 to June 2011, significant advances were made in developing the asset base of the Company with ramp-up production at LHM to design capacity and the commissioning and ramp-up of the Company's second mine in Malawi. Remuneration increases do not therefore track the share price movements as the Board does not consider this an appropriate measure at this stage of the Company's development.

As for 2010, bonuses in 2011 were paid to modest levels averaging 6% across the group having regard to poor uranium prices and delays in the ramp-up of the Kayelekera Mine. Senior executive bonuses averaged between 7% and 10%.

The remuneration structure for the NEOs has three elements:

- fixed remuneration;
- short-term variable remuneration; and
- long-term incentives.

These are detailed as follows:

Remuneration Component	Elements	Details
Fixed Remuneration	Annual base salary determined as at 1 January each year	The 'not at risk' cash component which may include certain salary sacrifice packaging.
	Statutory superannuation contributions	Statutory % of base salary.
	Expatriate benefits	Executives who fulfill their roles as an expatriate may receive benefits including relocation costs, health insurance, housing and car allowances, educational fees and tax advisory services.
	Foreign assignment allowance	An additional % of base salary is payable in relation to foreign assignments being 15% for Malawi and 10% for Namibia.
Variable Performance Linked Remuneration ("at risk" remuneration)	Short-term incentive, paid as a cash bonus	Rewards Executives for performance over a short period, being the year ending 31 December. Bonuses are awarded at the same time as the salary reviews. Assessment is based on the individual's performance and contribution to team and Company performance.
	Long-term incentive, granted under the Rights Plan	Award determined in the September quarter of each year, based on individual performance and contribution to team and Company performance. Vesting dependent on creation of shareholder value over a three year period, together with a retention element.

Fixed Remuneration

This is reviewed annually with consideration given to both the Company and the individual's performance and effectiveness. As competition in the global uranium mining industry continues to grow, a key to maintaining talent is to create relevant and globally competitive remuneration packages. Market data focused on the mining industry is analysed with a focus on maintaining parity or above with companies of similar complexity and size operating in the resources sector and becoming an employer of choice. The Company subscribes to a number of remuneration surveys and reports including Boardroom Remuneration Review (Connect 4), Resources Sector Remuneration Report (Godfrey Remuneration Group Pty Ltd), The Top 500 Report (CRA Plan Managers Pty Ltd) and the AIM National Salary Survey (Australian Institute of Management). The Company also takes into consideration the annual Executive and Board Remuneration Report produced by Ernst & Young.

During the past year, salaries, as a general rule, were increased in accordance with the movements of the CPI only, other than in cases where there was a role change or an anomalous situation relevant to labour market conditions. For Australian employees this amounted to 3%. For foreign operations, the CPI adjustment was relative to that country.

By way of comparison, salaries in the mining industry in Australia increased on average 4.34%. Whilst the level of increase was below the average, Paladin's long-term incentive scheme which operates through all levels provides a generous component of remuneration. Taking into account performance and industry parity, senior executives received an average increase of 6.7%.

Variable Remuneration

Short-term Incentives

The Company provides short-term incentives comprising a cash bonus to Executives of up to 30% of base salary. The bonus is entirely discretionary with the goal of focusing attention on short-term strategic and financial objectives. The amount is dependent on the Company's performance in its stated objectives and the individual's performance, together with the individual's position and level of responsibility. As for 2010, bonuses in 2011 were paid to modest levels averaging 6% across the group (2010: 10%) having regard to poor uranium prices and delays in the ramp-up of Kayelekera Mine. Senior executive bonuses averaged between 7% and 10%. All cash bonuses granted have been paid during the year.

This component is an "at risk" component of overall remuneration designed to encourage exceptional performance whilst adhering to the Company values. Specific targets for individuals have not been set due to the philosophy of achieving a common goal for the Company, however, the following measures are taken into account where these are applicable to the Key Management Personnel and individual Executives and have been selected to align their interests to those of shareholders:

- (a) health, safety and environmental performance;
- (b) production performance;
- (c) project development performance;
- (d) additional uranium resources delineated;
- (e) performance of the Company in meeting its various other objectives;
- (f) financial performance of the Company; and
- (g) such other matters determined by the Remuneration Committee in its discretion.

Long-term Incentive Plans

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

In 2009, the Directors determined that a share rights plan was the most appropriate form of long-term incentive plan for the Group and at the 2009 AGM, shareholders approved the adoption of the Employee Performance Share Rights Plan (the Rights Plan).

Approval was also given to implement a share rights plan to reward a small number of key individual contractors who provide similar services to employees, the Contractor Performance Share Rights Plan (the Contractor Rights Plan). These plans are referred to jointly as the Rights Plans.

As a consequence of adopting the Rights Plans, no further grants will be made under the previous Executive Share Option Plan with the last option grant made on 24 June 2009. It was determined that this plan had a number of limitations and did not provide an appropriate incentive.

The Rights Plans are long-term incentive plans aimed at advancing the interests of the Company by creating a stronger link between employee performance and reward and increasing shareholder value by enabling participants to have a greater involvement with, and share in the future growth and profitability of, the Company. They are an important tool to assist in attracting and retaining talented people.

Share Rights are granted under the plan for no consideration. Share Rights are rights to receive fully paid ordinary shares in the capital of the Company (Shares) in the future if certain individual and/or corporate performance metrics (Performance Conditions) are met in the measurement period.

The Board is cognisant of general shareholder concern that long-term equity based rewards should be linked to the achievement by the Company of a performance condition. Share Rights granted under the Rights Plan are subject to certain vesting and performance conditions as determined by the Board from time to time. The Company does not offer any loan facilities to assist in the purchase of shares by employees.

The EXSOP was available, and the Employee Share Rights Plan is available to full-time employees of Paladin, and the Contractor Share Rights Plan is available to contractors of Paladin, and any Related Body Corporate, as such term was defined in the Corporations Act on 21 November 2006. The number of Ordinary Shares that may potentially be issued pursuant to the exercise of all unexercised options under the EXSOP and potentially issued due to the vesting of share rights under the Share Rights Plan, which as of the date of the Management Information Circular, are the only incentive plans of the Company, must not exceed 5% of the issued capital of the Company at the time when any grant of options or share rights is made. The 5% limit includes incentive grants, under all plans, made in the previous 5 years (with certain exclusions under the Australian Corporate Legislation). As at the date of this Management Information Circular 13,811,495 Ordinary Shares are issuable pursuant to entitlements granted under the EXSOP and Share Rights Plans. As detailed above and in accordance with the rules of the incentive plans, the maximum number of Ordinary Shares that may be issued under future grants pursuant to the EXSOP and Share Rights Plans is 37,753,276 Ordinary Shares.

The Remuneration Committee takes into account previous grants under share-based payment plans when considering new grants.

Vesting and Performance Conditions

The Share Rights issued in November 2010 are subject to a range of vesting and performance conditions:

Proportion of Share Rights to which performance hurdle applies	Performance measure
10%	Time based – must remain in employ for 1 year from date of grant
15%	Time based – must remain in employ for 2 years from date of grant
25%	Time based – must remain in employ for 3 years from date of grant
20%	Total Shareholder Return (TSR) relative to mining companies in ASX S&P 200 Index
30%	Market Price Performance (MPP) measuring the increase in share price over the period

Managing Director/CEO

The Share Rights issued to the Managing Director/CEO have different vesting hurdles to reflect the “at risk” nature of 100% of this component of his remuneration and provide a direct link between Managing Director/CEO reward and shareholder return, and provide a clear line of sight between Managing Director/CEO performance and Company performance. In November 2010, 500,000 Share Rights were granted to Mr J Borshoff, as approved by shareholders at the 2009 AGM.

The performance conditions are:

Proportion of Share Rights to which performance hurdle applies	Performance measure
50%	Total Shareholder Return (TSR) relative to mining companies in ASX S&P 200 Index*
50%	Earnings Per Share (EPS) Measuring the increase in earnings over the period

*The initial measurement date of the Share Rights subject to the relative TSR condition is at the end of year three, calculated from the date of grant. At the end of year three, Mr John Borshoff can either:

- accept the vesting outcome achieved; or
- elect to have his Share Rights retested at the end of year four (in which case the same vesting schedule applies but the retest period covers the entire four year period from the date the Share Rights were granted).

He is not permitted to “double dip”, so by electing to have his Share Rights retested at the end of year four he forfeits any entitlement to Share Rights which otherwise would have vested at the end of year three. All Share Rights subject to the relative TSR condition will expire at the end of year four.

The Remuneration Committee allows one retest to reflect the volatile nature of the industry. The way in which the retest is applied maintains alignment with shareholder interests.

Why were these targets selected?

The Board considered the measures reflected an appropriate balance in terms of alignment between comparative shareholder return and individual reward, a market based performance measure and the encouragement of long-term retention.

Details of the various performance conditions follow:

<p>Time-based Vesting</p> <p>50% of the Share Rights will vest based on the participant continuing to be employed with the Group. These are staggered over time and this condition is designed to assist in long-term retention of staff. Such benefits also assist in recruitment of suitably qualified personnel in a market place where both mining, and more particularly uranium experience, are in particularly short supply. Paladin competes in the global recruitment market and must offer competitive benefits to be successful and attract quality candidates. The available talent pool with uranium expertise is both small and internationally focussed. Costs for replacement of personnel and the hidden costs of disruption to the business can be substantial. This vesting criteria does not apply to the Managing Director/CEO.</p>
<p>TSR</p> <p>20% of the Share Rights will vest based on the Company's TSR relative to the TSRs of a peer group of companies. This measure represents the change in the Company's share price over the measurement period, plus dividends (if any) notionally reinvested in the Company's shares, expressed as a percentage of the opening value. The peer group will comprise of mining companies in the S&P/ASX 200 Index as at the date of the offer, excluding steel companies and any companies that pay a dividend during any year of the performance period.</p> <p>The limited number of uranium development and production companies globally presents difficulties in determining a suitable peer group. It was therefore decided that, as the primary listing is on ASX and the majority of share trading takes place in that market, the peer group set out above is the most appropriate. This also reflects the Group's competitors for capital and talent.</p>

Relative TSR is independent of market conditions and is considered a more relevant measure of management performance in terms of value delivered to shareholders over the medium to long-term.

50% of the Share Rights granted to the Managing Director/CEO will vest based on the Company's Relative TSR.

Mining companies are companies under the Global Industry Classification Standard (GICS) sub-industries: Oil & Gas – Coal & Consumable Fuels (10102050), Metals & Mining – Aluminium (15104010), Metals & Mining – Diversified Metals & Mining (15104020), Metals & Mining – Gold (15104030), Metals & Mining – Precious Metals & Minerals (15104040) and Metals & Mining – Steel (15104050).

The base and stretch targets for the TSR performance condition are as follows:

Relative TSR percentile ranking	Percentage of Share Rights that may vest if the relative TSR performance condition is met
Less than 50 th percentile	0% of the Share Rights subject to the TSR condition
at 50 th percentile	50% of the Share Rights subject to the TSR condition
Greater than the 50th percentile but less than the 75 th percentile	Pro-rated vesting between 51% and 99% of the Share Rights subject to the TSR condition
At 75 th percentile or greater	100% of the Share Rights subject to the TSR condition

MPP

30% of the Share Rights are subject to MPP vesting condition which measures the increase in share price of the Company. Share Rights will vest if, at the end of the measurement period, the share price of the Company is 25% above the market price at the date of the offer. As part of the mix of performance conditions this provides a market based performance measure. The base price for each grant is detailed in the table on the following page.

This does not apply to the Managing Director/CEO.

EPS

Basic Earnings Per Share ("EPS") is determined by dividing the operating profit or loss attributable to members of Paladin Group by the weighted average number of ordinary shares outstanding during the financial year. In the event that EPS is negative (representing a loss per share) a reduction of the loss per share is, for this purpose, treated as a growth in EPS. Growth in EPS will be measured by comparing the EPS in the base year (being the full financial year ending prior to the date of grant) and the measurement year. EPS has been chosen as a performance condition because it provides a clear line of sight between Managing Director/CEO performance and Company performance. It is also a generally recognised and understood measure of performance.

50% of the Share Rights granted to the Managing Director/CEO will vest based on the Company's EPS.

The base and stretch targets for the Share Rights subject to the EPS conditions are as follows:

Average compound growth EPS over the performance period	Percentage of performance rights that may vest if the EPS hurdle is met
Less than 10% pa	0% of the Performance Rights subject to the EPS condition
At 10% pa	50% of the Performance Rights subject to the EPS condition

More than 10% pa but less than 20% pa	Pro rated vesting between 51% and 99% of the Performance Rights subject to the EPS condition
At 20% pa or greater	100% of the Performance Rights subject to the EPS condition

Shares acquired under the Employee Share Rights Plan

Shares to be allocated to participants on vesting are currently issued from equity. No consideration is paid on the vesting of the Share Rights and resultant shares carry full dividend and voting rights.

Change of Control

All Share Rights will vest on a change of control event. The Remuneration Committee considers that this is appropriate given that shareholders (or a majority thereof) would have collectively elected to accept a change of control event. Moreover the number of Performance Rights relative to total issued shares is not significant and thus are not considered a disincentive to a potential bidder.

Cessation of Employment

Under the Rights Plan, employees' Share Rights will be cancelled on cessation of employment, unless special circumstances exist such as retirement, total and permanent disability, redundancy or death. Contractors will have their Share Rights cancelled, other than on death at which point the contractor's legal representative will be entitled to receive them.

The outstanding balance of Share Rights at 30 June 2011 is represented by:

Date rights granted	Vesting date	Vesting performance conditions	Number
26 March 2010	26 March 2013	TSR	*150,000
26 March 2010	26 March 2013	EPS	*150,000
26 March 2010	1 September 2011	Time based	594,270
26 March 2010	1 September 2012	Time based	990,450
26 March 2010	1 September 2012	TSR	792,360
26 March 2010	1 September 2012	Market Price (base price A\$3.82)	1,188,540
5 November 2010	5 November 2013	TSR	*250,000
5 November 2010	5 November 2013	EPS	*250,000
5 November 2010	1 September 2011	Time based	202,170
5 November 2010	1 September 2012	Time based	303,255
5 November 2010	1 September 2013	Time based	505,425
5 November 2010	1 September 2013	TSR	404,340
5 November 2010	1 September 2013	Market price (base price A\$3.62)	606,510
15 February 2011	15 February 2012	Time based	155,336
15 February 2011	15 February 2013	Time based	178,838
15 February 2011	15 February 2014	Time based	225,843
Total			6,947,337

* Managing Director/CEO grant

Contractor Performance Share Rights Plan

The Company has also implemented a plan to reward a small number of key individual contractors, who provide similar services to employees. This plan and the Employee Share Rights Plan applicable to employees, as detailed above, differ only in respect of the class of individuals who are eligible for participation. This Plan was approved by shareholders on 25 November 2009.

Paladin Executive Share Option Plan (EXSOP)

Prior to the implementation of the Share Rights Plan, the EXSOP was the basis for the long-term incentive remuneration. On 21 November 2006, the EXSOP was approved by shareholders at the Company's Annual General Meeting.

Share options were granted to employees under the EXSOP which was designed to create a stronger link between increasing shareholder value and employee reward. Under the EXSOP, the exercise price of the options was set at the market price of the shares on the date of grant and performance measured by comparing the Company's Total Shareholder Return ('TSR') (share price appreciation plus dividends reinvested) with a group of peer companies. The Company's performance will be measured over three years from the date of grant. To the extent that maximum performance is not achieved under the performance condition, performance will be retested every six months following the first three years until the end of the fourth year.

The Group's performance against the hurdle is determined according to Paladin's ranking against the peer group TSR growth over the performance period.

- when Paladin is ranked over the 75th percentile, 100% of the share options will vest;
- for rankings above the 50th and below the 75th percentile, the percentage of options to vest will be pro-rata between 50% and 100%;
- when Paladin is ranked at the 50th percentile, 50% of the share options will vest;
- when Paladin is ranked below the 50th percentile the share options will not vest.

The EXSOP expired on 21 November 2009, three years after the date it was adopted by Shareholders, and all existing but unallocated entitlements under the EXSOP were cancelled, although existing entitlements granted under the EXSOP continue in place in accordance with their terms and the terms and conditions of the EXSOP. The last options granted to any NEO were granted in January 2008. The following information in respect of the EXSOP is provided to give an understanding of the basis and terms upon which options were issued in the past. The Board determined the number of options offered to an employee by reference to their base package and the option value, based on the binomial tree method with reference to the following formula:

$$\text{Number of Options} = \frac{\text{Base Package} \times \text{Stretch LTI}\%}{\text{Option value (based on the binomial tree model)}}$$

The resultant number of options could be adjusted, at the Board's discretion, to deal with any special circumstances or other factors.

"Stretch LTI" refers to the long-term incentive percentage of the Base Package that allows the maximum number of options to vest (i.e. become able to be exercised) if the performance condition is satisfied to the maximum.

The "binomial tree model" for determining the option value is the mathematical model used in accordance with the International Financial Reporting Standards.

By way of example, the stretch LTI were, in the case of the Managing Director/CEO, 180%; and NEOs 100%.

When a participant ceases employment prior to the vesting of their share options, the share options are forfeited unless cessation of employment is due to termination initiated by the Group other than for misconduct or death. In the event of a change of control all the awards will vest and may be exercised by the participant.

Options may be transferred to a specified broker once vested, or by operation of law on death or legal incapacity.

Subject to the provisions of the EXSOP the Listing Rules of the ASX and the TSX Company Manual, the rules of the EXSOP may only be amended if such amendment is first approved by resolution of the Shareholders in a general meeting. However, the rules of the Option Plan may not be amended if, broadly, in the Board's opinion the amendment would materially reduce the rights of a participant in respect of options already granted.

The Company's policy prohibits hedging of equity compensation grants. Prohibited hedging practices include put/call arrangements over "in money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of such remuneration and inconsistent with Shareholder objectives.

The contractual life of each option granted is five years. There are no cash settlement alternatives.

The outstanding balance of options granted under the EXSOP as at 30 June 2011 is represented by:

Number of Options	Exercise Price A\$	Expiry Date	Vesting Date
6,706,791	4.50	29/01/2013	29/01/2011*
300,000	5.37	15/02/2013	15/02/2011**
475,000	4.59	18/04/2013	18/04/2011***
750,000	2.54	14/10/2013	14/10/2011

* Subject to retesting on 29 January 2012

** Subject to retesting on 15 February 2012

*** Subject to retesting on 18 October 2011

Retention Programme

As a component of the strategy for retention of key personnel, certain executives and staff participate in a retention bonus programme. Participation extends to a limited number of selected individuals that have been identified as possessing the requisite skills, expertise and experience in the uranium sector and those with specialist corporate and commercial skills that the Company requires to achieve its aggressive goals over coming years. This initiative is driven by a desire to retain the intellectual property pool considered necessary to ensure the continued success of the Company. The programme entitles the participants to receive a cash award at the end of the three year retention period ending on 1 July 2013. In the event employment is terminated for any of retirement, disablement, redundancy or death, after 1 July 2011 one third will be payable and after 1 July 2012, two thirds will be payable. The cash award varies between 50 and 100% of the average annual salary over the 3 year period.

In addition, from time to time, the Board will make specific grants of share rights subject only to time vesting as part of the Company's retention strategy for key individuals.

Summary Compensation Table

The following table sets out total compensation for the financial year ending 30 June 2011 for the NEOs:

Name and principal position	Year	Salary (US\$)	Share-based awards ⁴ (US\$)	Annual incentive plan ⁶ (US\$)	Retention Bonus (US\$)	Super-annuation (US\$)	All other compensation (US\$)	Total compensation (US\$)
(a)	(b)	(c)	(d)	(f1)	(f2)	(g)	(h)	(i)
John Borshoff (Managing Director/CEO)	June 2011	\$1,987,000	\$1,879,000 ³	\$231,000 ¹⁰		\$14,973 ⁵		\$4,111,973
	June 2010	\$1,669,000	\$949,000 ³	Nil		\$12,724		\$3,140,724
	June 2009	\$1,333,000	Nil	Nil		\$10,107		\$1,343,107
Dustin Garrow (Executive General Manager – Marketing)	June 2011	\$651,000	\$294,000 ³	\$71,000 ¹⁰	\$146,000 ⁹	Nil	\$146,000 ⁹	\$1,162,000
	June 2010	\$607,000	\$577,000 ³	\$58,000 ¹⁰		Nil		\$1,242,000
	June 2009	\$594,000	Nil	\$120,000 ¹⁰		Nil		\$714,000
Mark Barnaba ¹ (Strategic Advisor)	June 2011	\$478,000	\$2,192,000 ³	Nil		\$14,973 ⁵	\$296,000 ⁷	\$2,980,973
Gillian Swaby ¹ (Company Secretary)	June 2011	\$512,000 ⁸	\$1,952,000 ³	\$49,000 ¹⁰	\$144,000 ⁹	Nil	\$144,000 ⁹	\$2,657,000
Garry Korte ² (Chief Financial Officer)	June 2011	\$438,000	\$184,000 ³	\$54,000 ¹⁰	\$95,000 ⁹	\$14,973 ⁵	\$95,000 ⁹	\$785,973
	June 2010	\$232,000	\$260,000 ³	Nil		\$9,679		\$501,679

For the Australian dollar salaries of Messrs. Borshoff, Korte, Barnaba and Swaby and for all other figures in US\$ in the above table originally received in Australian dollars during the FY2011, these were converted on 30 June 2011 using the average exchange rate for 2011 financial year of US\$1 = A\$1.01512 sourced from the website oanda.com.

¹ Became NEO during financial year 2011. M Barnaba became NEO 1 July 2010.

² Appointed on 2 November 2009.

³ Subject to a range of vesting and performance conditions from 01/09/2011 to 15/02/2014 (see pages 15 to 18 for further details).

⁴ The Share Rights with a non-market based performance condition (time based and EPS) were valued using a Black-Scholes model. The Share Rights that contained a Relative TSR performance condition were modelled using a Monte-Carlo simulation model. The Share Rights subject to the Market Price condition were valued using an Asset or Nothing Digital Option valuation model. These particular valuation models were chosen because they are industry standards and are therefore useful for comparative purposes. The following table lists the inputs to the model used for the years ended 30 June 2011 and 30 June 2010:

	2011	2010
Dividend yield (%)	Nil	Nil
Expected volatility (%)	39%	49%
Risk-free interest rate (%)	4.9%	4.98%

The expected volatility was determined using an historical sample of 1 years historic data.

⁵ This represents the maximum contribution of A\$15,199.

⁶ See page 15 for details on short term incentives.

⁷ Commencement fee and deferred remuneration.

⁸ Represents fees paid for company secretarial services to a company of which Ms G Swaby is a director and shareholder.

⁹ The amount that is deemed to have accrued in this financial year and required to be recognised in the financial statements.

¹⁰ Annual cash bonus.

Pension Plan Benefits

As required by applicable law in Australia, the Company is required to make a minimal annual contribution to employees' nominated superannuation funds of 9% of gross annual salary up to a maximum contribution of A\$15,199.20. The Company does not provide defined benefit plans for any of its employees.

Incentive plan awards

The following table discloses all options and share rights outstanding as at 30 June 2011 for each NEO.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
John Borshoff	1,250,000	A\$4.50	29/01/2013	N/A	800,000	Nil
Dustin Garrow	266,199	A\$4.50	29/01/2013	N/A	222,000	Nil
Mark Barnaba	Nil	N/A	N/A	N/A	Nil	N/A
Gillian Swaby	258,785	A\$4.50	29/01/2013	N/A	514,000	Nil
Garry Korte	Nil	N/A	N/A	N/A	112,500	Nil

¹ Closing share price 30 June 2001, A\$2.52.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Share Rights Vested (#)(b)	Aggregate Value Realised US\$ ³	Unexercised Options at FY-end Exercisable/ Unexercisable (#)	Unvested Share Rights at FY-end (#)	Value of Unexercised in-the-money Options at FY-end US\$ Exercisable/ Unexercisable (f)	Value of Unvested Share Rights at FY-end US\$
(a)	(b)	(c)	(d)	(e)	(f)	(g)
John Borshoff	Nil	N/A	657,000 / 593,000	800,000	N/A / N/A	N/A
Dustin Garrow	20,000	74,868 ²	139,915 / 126,284	222,000	N/A / N/A	N/A
Mark Barnaba	625,000 ¹	2,382,723 ¹	Nil	Nil	N/A	N/A
Gillian Swaby	18,000	67,381 ²	122,767 / 136,018	514,000	N/A / N/A	N/A
Garry Korte	9,000	33,691 ²	Nil	112,500	N/A / N/A	N/A

¹ Vested on 1 August 2010. Resulting shares then held in trust vesting from January 2011 to January 2012. Once vested the shares are subject to a disposal restriction which expires on 1 January 2014. Closing market price A\$3.87 as at 2 August 2010 used for valuation.

² Closing market price A\$3.80 as at vesting date (1 September 2010) used for valuation.

³ Exchange rate used is average for year US\$1 = A\$1.01512.

Termination and Change of Control Benefits

The Company has entered into an employment contract which provides for termination benefits with the following NEO:

Mr John Borshoff, *Managing Director/CEO*

- Base salary, inclusive of superannuation, A\$1,946,880 increased to A\$2,044,244 effective 1 January 2011.
- Payment of a benefit on retirement or early termination by the Company, other than for gross misconduct, equal to 2 times base salary for the two years immediately preceding the termination date. This benefit was approved by Shareholders on 9 November 2005.

Estimated incremental payments upon involuntary termination without cause at 30 June 2011

The following table sets forth the estimated incremental payments that would have been required to have been made to each NEO had such individual been terminated without just cause on 30 June 2011.

Name	Termination Benefit US\$ ¹	Value of Options US\$ ¹	Value of Share Rights US\$ ¹	Retention Bonus US\$ ¹	Total US\$ ¹
John Borshoff	4,027,591	Nil ²	1,985,972 ³	N/A	6,013,563
Dustin Garrow	Nil	Nil ²	551,107 ³	221,375 ⁵	772,482
Mark Barnaba	Nil	N/A	N/A	N/A	Nil
Gillian Swaby	Nil	Nil ²	Nil ⁴	177,319 ⁵	177,319
Garry Korte	Nil	N/A	279,277 ³	160,153 ⁵	439,430

¹ Amounts would be payable in A\$, and have been translated into US\$ using an average exchange rate for year of US\$ = A\$1.01512.

² All unvested options automatically lapse upon termination. All vested options are exercisable for a 3 month period. The options outstanding have an exercise price of A\$4.50, as at 30 June 2011 the closing share price was A\$2.52.

³ Under the Employee Plan, upon the retirement, total and permanent disability, redundancy or death of a participant, as defined in the Employee Plan, performance conditions will be deemed to have been satisfied or waived and Ordinary Shares shall be issued. The value shown has been calculated using the closing share price as at 30 June 2011 of A\$2.52.

⁴ If a contractor is terminated for any reason, the contractor's Performance Rights which have not vested will lapse.

⁵ The programme entitles the participants to receive a cash award at the end of the three year retention period ending on 1 July 2013. In the event employment is terminated for any of retirement, disablement, redundancy or death, after 1 July 2011 one third will be payable and after 1 July 2012, two thirds will be payable.

Estimated incremental payments upon change of control as at 30 June 2011

The following table sets forth the estimated incremental payments that would have been required to have been made to each NEO if such individual would have been entitled to terminate his employment in the event of a change of control on 30 June 2011.

Name	Termination Benefit US\$ ¹	Value of Options US\$ ¹	Value of Share Rights US\$ ¹	Retention Bonus US\$ ¹	Total US\$ ¹
John Borshoff	4,027,591	Nil ²	1,985,972 ³	N/A	6,013,563
Dustin Garrow	Nil	Nil ²	551,107 ³	221,375 ⁴	772,482
Mark Barnaba	Nil	N/A	N/A	N/A	Nil
Gillian Swaby	Nil	Nil ²	1,275,987 ³	177,319 ⁴	1,453,306
Garry Korte	Nil	N/A	279,277 ³	160,153 ⁴	439,430

¹ Amounts would be payable in A\$, and have been translated into US\$ using an average exchange rate for year of US\$ = A\$1.01512.

² In the event that a takeover offer is made to the shareholders of the Company to acquire their Shares and the Board becomes aware that more than 50% of the issued Shares have or will become vested in the offeror and related and associated parties, then the Board shall notify each Participant in writing that all Options issued to the Participant may be exercised by the Participant with effect from the date of such notice and shall be exercisable by a date specified in the notice. Upon receipt of such notice, the Participant shall be entitled to exercise all or any of the Options. The options outstanding have an exercise price of A\$4.50, as at 30 June 2011 the closing share price was A\$2.52.

³ In the event of a change of control of the Company (i.e. where a third party unconditionally acquires more than 50% of the Company or upon a merger by scheme of arrangement), all performance conditions will be deemed to have been satisfied and the Performance Rights will best. The value shown has been calculated using the closing share price as at 30 June 2011 of A\$2.52.

⁴ The programme entitles the participants to receive a cash award at the end of the three year retention period ending on 1 July 2013. In the event employment is terminated for any of retirement, disablement, redundancy or death, after 1 July 2011 one third will be payable and after 1 July 2012, two thirds will be payable.

Compensation of the Managing Director/CEO

Mr John Borshoff is referred to as both Managing Director/CEO to clarify the understanding of his position in both North America and Australia, given Paladin's stock exchange listings in each jurisdiction.

The compensation of the Managing Director/CEO is approved annually by the Board. Base cash compensation levels are based on market survey data. Compensation also includes participation in the Company's equity compensation plans. Compensation paid to the Managing Director/CEO is set out in the Summary Compensation Table.

A bonus of up to 100% of base salary can be achieved, having consideration to outcomes achieved during the year, to be determined by the Remuneration Committee. For the calendar year 2010 a 12% bonus was awarded. Matters to be considered as key outcomes for the calendar year 2011 when considering payment of a bonus to J Borshoff fall within the following parameters which the Board considers best capture the essential elements for increasing shareholder returns:

	Factor	Indicative Weighting
1	Production and financial performance meeting or exceeding expectations.	45%
2	Sustainability matters achieving expectations.	20%
3	Organic and inorganic growth progressing in accordance with strategy.	15%
4	Organisational factors meeting expectations.	10%
5	Other factors at the discretion of the Remuneration Committee	10%

The above measures have been selected to align the interests of the Managing Director/CEO with Shareholders. The Remuneration Committee is responsible for assessing whether the measures are met.

Compensation of the NEOs

Named Executive Officer	Base Salary Increase	Base Salary at 1 January 2011	Percent Increase
John Borshoff	A\$97,364	A\$2,044,244	5%
Dustin Garrow	US\$31,625	US\$664,125	5%
Garry Korte	A\$87,500	A\$503,500	21%
Gillian Swaby	A\$40,000	A\$540,000 ¹	8%
Mark Barnaba	Nil	A\$500,000	-

¹ Represents fees paid for company secretarial services to a company of which Ms G Swaby is a director and shareholder.

Compensation of Directors

Directors' Fees

At the 2008 Annual General Meeting, Shareholders approved an increase in the aggregate amount of fees available to be paid to non-executive Directors to A\$1,200,000. Given the growth of the Company such an increase was considered necessary to attract and retain Directors of a calibre required to effectively guide and monitor the business of the Company and to remunerate them appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

Fees payable to non-executive Directors are set at A\$160,000 per annum each, effective 1 January 2008, inclusive of any superannuation obligations. Exceptions to this fee structure are the Chairman of the Audit Committee who receives an additional A\$20,000 per annum, and the Chairman of the Board who receives an additional A\$165,000 per annum. The increased fees were arrived at on the basis of a review by external independent remuneration consultants looking at companies with similar market capitalisation.

In addition, the Company's Constitution provides for additional compensation to be paid if any of the Directors are called upon to perform extra services or make any special exertions on behalf of the Company or the business of the Company. The Directors may approve compensation for such Director in respect of such services or exertions, and such compensation may be either in addition to or in substitution for the Directors' fees referred to above.

Remuneration paid to non-executive Directors during the year ended 30 June 2011 comprised the following:-

Name and Principal Position (a)	Fees (A\$) (b)	Superannuation (A\$) (f)	Total (A\$) (h)
Rick Crabb (Non-Executive Chairman)	309,801	15,199	325,000
Sean Llewelyn (Non-Executive Director)	146,789	13,211	160,000
Donald Shumka (Non-Executive Director)	180,000	-	180,000
Peter Donkin (Non-Executive Director)	146,789	13,211	160,000
Philip Baily (Non-Executive Director)	110,092	9,908	120,000
Ian Noble (Non-Executive Director)	59,531	5,358	64,889

Note: there were no additional fees paid during the year to any Director for consulting services.

Mr Noble retired with effect from 25 November 2010.

Remuneration paid to the Managing Director/CEO is shown in the Summary Compensation Table. Mr Borshoff does not receive any amounts solely in his capacity as a director of the Company.

SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table summarises relevant information as of 30 June 2011 with respect to compensation plans under which equity securities are authorised for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c))
Executive Share Option Plan approved by security holders	8,231,791	A\$4.36	34,798,588
Employee Performance Share Rights Plan approved by security holders	6,387,320	Nil	
Contractor Performance Share Rights Plan approved by security holder	560,017	Nil	
Total	15,179,128	A\$4.36	

Indebtedness of Directors and Executive Officers

As at 12 October 2011, no executive officer, director, employee or former executive officer, director or employee of the Company or any subsidiary is indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, as at 12 October 2011 no executive officer, director, employee or former executive officer, director or employee of the Company is indebted to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary.

No person who is a director or executive officer of the Company, or who was a director or executive officer of the Company at any time during the most recently completed financial year, any proposed nominee for election as a director or any associate of any such director, executive officer, or proposed nominee is, or at any time since the beginning of the most recently completed financial year of the Company has been indebted to the Company or any of its subsidiaries or to another entity if such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary.

APPOINTMENT OF AUDITOR

The Company's auditors are Ernst & Young, and were first appointed on 21 June 2005. A resolution confirming the appointment was passed by Shareholders at the Annual General Meeting held on 9 November 2005.

INCORPORATING INFORMATION BY REFERENCE

The Company has previously made disclosure in its 2011 Annual Report of its corporate governance practices. The Corporate Governance Statement contained in the 2011 Annual Report is incorporated by reference into this Management Information Circular. The 2011 Annual Report has been filed under the Company's profile on the ASX website at asx.com.au and under the Company's profile on the SEDAR website at sedar.com, this also includes the Remuneration Report, which is part of the Director's Report. It is also available on the Company's website in an interactive form at www.paladinenergy.com.au. Copies of the 2011 Annual Report will be provided free of charge to Shareholders upon written request to the Company.

CORPORATE GOVERNANCE ADDENDUM

The following information is given in addition to the Corporate Governance Statement in order to satisfy the requirements of Canadian National Instrument 58-101F1:

Other Directorships

Name of Director	Other Directorships	Appointed
Mr Rick Crabb	Chairman of Ashburton Minerals Ltd Chairman and Non-executive Director of Golden Rim Resources Limited Chairman and Non-executive Director of Otto Energy Ltd	1 September 1999 21 August 2001 19 November 2004
Mr John Borshoff	Nil	
Mr Sean Llewelyn	Nil	
Mr Donald Shumka	Nil	
Mr Ian Noble	Nil	
Mr Peter Donkin	Nil	
Mr Philip Baily	Nil	

Roles and Responsibilities of Chairman

A copy of the Position Description for the Non-executive Chairman of the Board can be found at Schedule A to this Management Information Circular.

Directors' Meetings

The number of Directors' meetings and meetings of committees held in the year ended 30 June 2011 and the number of meetings attended by each Director during that period were:

Name	Board of Directors		Audit Committee		Remuneration Committee		Nomination Committee		Sustainability Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number Eligible to attend
Mr Rick Crabb	18	18	-	-	3	3	1	1	1	1
Mr John Borshoff	17	18	-	-	-	-	1	1	1	1
Mr Sean Llewelyn	18	18	4	4	3	3	1	1	-	-
Mr Donald Shumka	17	18	4	4	3	3	1	1	-	-
Mr Ian Noble	9	10	2	2	-	-	-	-	-	-
Mr Peter Donkin	16	18	1	2	-	-	1	1	-	-
Mr Philip Baily	13	13	-	-	-	-	1	1	1	1

Of the above Board meetings, only 4 were face to face with the remainder held via electronic means. The total number of meetings reflects additional activity with the takeover of NGM Resources Ltd, the issue and buy-back of convertible bonds and the acquisition of the Aurora assets.

Board Mandate

A copy of the Board Charter can be found at Schedule B to this Management Information Circular.

Nomination Committee

The Nomination Committee is composed of all of the members of the Board, which includes the Managing Director/CEO and is therefore not composed entirely of independent Directors. The Committee, however, comprises 6 members and therefore the inclusion of one non-independent director is not considered to be detrimental to an objective nomination process.

Assessments

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of Board evaluation is to identify ways to improve performance. The Chairman is responsible for conducting an annual review of the Board performance.

An evaluation of the performance of the Board has been carried out. This process involved completion of individual questionnaires focused on process, structure, effectiveness and contributions and addresses the performance of each director individually. Responses to the questionnaire were collated and discussed by the Board in an open forum and recommendations for improvement considered.

AVAILABILITY OF DOCUMENTS

Financial information is provided in the Company's comparative financial statements and Management's Discussion & Analysis for its most recently completed financial year.

In addition to copies of documents as otherwise contemplated herein, the Company will provide to any person, upon request to the Company Secretary, one copy of the following documents (i) the comparative financial statements of the Company filed with the applicable securities regulatory authorities for the Company's most recently completed year in respect of which such financial statements have been issued, together with the report of the auditors thereon and Management's Discussion and Analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements and (ii) the Notice and Management Information Circular filed

with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders which involved the election of Directors.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge by any person or company who is not a security holder of the Company, and who requests a copy of such document. Additionally, copies of publicly filed information concerning the Company can be found under the Company's profile at the ASX website at asx.com.au or under the Company's profile on SEDAR at sedar.com.

Copies of documents may be obtained as provided above by contacting the Company Secretary by mail at Paladin Energy Ltd, Level 4, 502 Hay Street, Subiaco, Western Australia, 6008, by facsimile at +61 8 9381 4978, or by email at paladin@paladinenergy.com.au

APPROVAL OF THIS INFORMATION CIRCULAR

The contents and the sending of this Information Circular have been approved by the Directors.

By order of the Board

A handwritten signature in black ink, appearing to read 'G. Swaby', with a stylized flourish at the end.

Gillian Swaby
Company Secretary

SCHEDULE A



PALADIN ENERGY LTD

ACN 061 681 098

Position Description Non-Executive Chairman of the Board

Appointment

The Chairman of the Board (the "Chairman") is appointed by the Board and holds office until removal, resignation or retirement.

Responsibilities

The Chairman shall:

- a. In consultation with the Managing Director/CEO and the Company Secretary, determine the dates and locations of meetings of the Board, Committees and shareholders.
- b. Require the Board to meet a minimum of four times annually and as many additional times as necessary for the Board to carry out its duties and responsibilities effectively.
- c. Ensure that all business that is required to be brought before a meeting of shareholders is brought before a meeting of shareholders.
- d. In consultation with the Managing Director/CEO and the Company Secretary, review the meeting agendas to ensure all required business is brought before the Board to enable to Board to carry out its duties and responsibilities.
- e. Except as otherwise authorised by the Constitution, attend all meetings of the Board and shareholders.
- f. Ensure the Board has the opportunity to meet separately without management present at all meetings.
- g. Provide leadership to enable the Board to act as an effective team in carrying out its duties and responsibilities.
- h. Provide advice, counsel and mentorship to the Managing Director/CEO and fellow members of the Board.

- i. Think, act and vote independently from the Managing Director/CEO and other members of the Board.
- j. Ensure the Board discharges its principal areas of responsibilities as articulated in the Board Charter.
- k. Oversee the Board Charter, structure, operations, membership and composition of Committees and the work delegated to such Committees.
- l. Set the agenda for and chair the Directors' annual strategic planning session.
- m. Facilitate effective communication between Non-executive Directors and management, both inside and outside of Board meetings.
- n. Have an effective working relationship with the Managing Director/CEO.
- o. Retain expert advisers on behalf of the Board when needed.
- p. Respond to potential conflict of interest situations.

Date of Adoption: 17 August 2005

SCHEDULE B



PALADIN ENERGY LTD

ACN 061 681 098

BOARD CHARTER

CONTENTS

1. Applicability
2. Role of the Board
3. Powers of the Board
4. Responsibility of the Board
5. Board Composition
6. Independence of Directors
7. Board Meetings
8. Board Committees
9. Board Performance
10. Outside Directorships
11. Independent Advice
12. Codes of Conduct
13. Review

1. APPLICABILITY

This Charter applies to all Directors of Paladin Energy Ltd (Paladin).

2. ROLE OF THE BOARD

The central roles of the Board are to set the strategic direction for Paladin, to select and appoint the Managing Director/CEO and to oversee Paladin's management and its business activities.

The Board should be mindful that:

- a. while the primary objective of Paladin is to create, and to continue to build, sustainable value for shareholders, the legitimate interests of other parties who may have an interest in or be affected by the activities of Paladin, should be taken into account; and
- b. shareholders and other parties who may have an interest in or be affected by the activities of Paladin expect that the Directors will undertake their responsibilities with honesty, integrity, care and diligence, in accordance with law and in a manner which reflects the highest standards of governance.

3. POWERS OF THE BOARD

- 3.1 In addition to matters required by law to be approved by the Board, the following powers are reserved for the Board:
- a. appointing and, where appropriate, removing the Managing Director/CEO;
 - b. authorising the issue of any shares, options, equity instruments or other securities;
 - c. authorising expenditure in excess of discretionary limits delegated at any time to the Managing Director/CEO;
 - d. to:
 - i. approve the strategic plan and performance objectives;
 - ii. approve the annual budget;
 - iii. approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestitures;
 - iv. ratify the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
 - v. approve the annual, half yearly and quarterly financial statements; and
 - vi. approve policies of Company-wide or general application,
 - e. supervise Paladin's framework of control and accountability systems to enable risk to be assessed and managed; and
 - f. ensure Paladin is properly managed, for example by:
 - (i) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of Paladin;
 - (ii) liaising with Paladin's external auditors and Audit Committee.
- 3.2 Other than as detailed in Section 3.1, the Board has delegated responsibility for the management of Paladin's business and affairs to the Managing Director/CEO.

4. RESPONSIBILITY OF THE BOARD

4.1 The Chairperson

The responsibilities of the Chairperson include:

- a. ensuring the effective performance of, and providing leadership to, the Board;
- b. ensuring the efficient organisation and conduct of the Board's function;
- c. setting the agenda for Board meetings, with the Company Secretary and Managing Director/CEO;
- d. providing counsel to the Managing Director/CEO; and
- e. arranging regular evaluation of the performance of the Board and its Committees and of individual Directors.

A position description for the non-executive Chairperson is available on Paladin's website.

4.2 Board Responsibilities

The Board's responsibilities include:

- a. contributing to the development of corporate strategy and corporate objectives and monitoring performance;
- b. evaluating the performance and succession planning for the Managing Director/CEO;
- c. encouraging a culture of ethical and responsible decision making;
- d. review and report on diversity within the Company to include the relative proportion of women and men in the workforce at all levels of the Paladin Group.
- e. reviewing and ratifying systems of risk management, compliance and control;
- f. adopting a Continuous Disclosure Policy and monitoring its operation;
- g. reviewing policies, procedures and practices employed in relation to the environment, native title, cultural heritage and occupational health and safety;
- h. monitoring the financial performance of Paladin;
- i. satisfying itself that appropriate mechanisms are in place for the governance of subsidiary companies; and
- j. convening and attending general meetings of Paladin's shareholders.

4.3 Delegation to Committees

The Board may delegate responsibility for discharge of its responsibilities to Committees of the Board.

4.4 Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed.

A position description for the Company Secretary is available on Paladin's website.

5. BOARD COMPOSITION

The Board shall comprise Directors with a range of backgrounds and experience with the majority being Non-executive Directors determined by the Board to be capable of bringing independent judgement to bear on decision making.

Board composition should be reviewed annually by the Board to ensure that the Non-executive Directors between them bring the range of skills, knowledge and experience necessary to direct Paladin.

6. INDEPENDENCE OF DIRECTORS

In considering whether a Director is independent, the Board will have regard to:

- a. the definition of an independent Director published by the Australian Securities Exchange;
- b. the corporate governance guidelines developed by the Ontario Securities Commission;

- c. such materiality thresholds, standards or guidelines as the Board may adopt from time to time; and
- d. any information, facts or circumstance that the Board considers relevant.

If a Director is, or becomes aware of, any information, facts or circumstance which will, or may, affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and Chairperson.

7. BOARD MEETINGS

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

Board and Committee papers should be provided to Directors sufficiently far in advance of the scheduled meetings to permit adequate preparation.

Board agendas should be settled by the Chairperson with the Managing Director/CEO and Company Secretary.

8. BOARD COMMITTEES

The Board may establish standing and ad hoc committees to assist it in carrying out its responsibilities. For each Committee the Board should adopt a charter setting out its role, composition, powers, responsibilities, structure, resourcing and administration.

In particular, the Board will establish and maintain as standing Committees:

- a. Audit Committee;
- b. Nomination Committee;
- c. Remuneration Committee; and
- d. Sustainability Committee.

9. BOARD PERFORMANCE

The Board will undertake an annual performance evaluation that:

- a. reviews the performance of the Board against the requirements of this Charter;
- b. reviews the performance of the Board Committees against the requirements of their respective charters; and
- c. reviews the individual performances of the Chairperson, Managing Director/CEO and the Directors.

The Board, through the Nomination Committee, will determine the scope of the performance evaluation and how it is carried out, in order to achieve its objectives.

10. OUTSIDE DIRECTORSHIPS

A Non-executive Director should continually evaluate the number of Boards on which they serve to ensure that each company can be given the time and attention to detail required to properly exercise their powers and discharge their duties.

A Non-executive Director must notify the Chairperson prior to accepting an invitation to become a Director of any company.

11. INDEPENDENT ADVICE

The Board and its committees may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual Directors may seek independent professional advice, at the expense of Paladin, on any matter connected with the discharge of their responsibilities.

12. CODES OF CONDUCT

The Code of Conduct for Directors sets out the procedure to be followed if there is, or if there may be, a conflict between the personal or other interests of a Director and the business of Paladin.

13. REVIEW

The Charter will be reviewed regularly to ensure it meets best practice standards, complies with all governance principles of those stock exchanges on which it is listed and meets the requirements of Paladin and the Board.

Date of adoption: 17 August 2005

Date updated: 30 August 2011



Paladin Energy Ltd
ACN 061 681 098

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 PDN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Voting Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your vote or appoint a proxy**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (Perth time) Tuesday 22 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Vote Directly

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

Appoint a Proxy to Vote on Your Behalf

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 9999999999

I ND

Please mark to indicate your directions

Voting Form

STEP 1 Indicate How your Vote will be Cast *Select one option only*

XX

At the Annual General Meeting of Paladin Energy Ltd to be held at Perie Banou Room, Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on Thursday, 24 November 2011 at 10.00am (Perth time) and at any adjournment of that meeting, I/We being member/s of Paladin Energy Ltd direct the following:

1. Vote Directly

Record my/our votes strictly in accordance with directions in Step 2.

PLEASE NOTE: A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

2. Appoint a Proxy to Vote on Your Behalf: I/We hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

OR

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit).

Important for Item 1: If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 1 as set out below and in the Notice of Meeting. If you do not mark this box and you have not directed your proxy how to vote on Item 1, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 1).

The Chairman of the Meeting intends to vote all available proxies in favour of Item 1 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Director - Mr Sean Llewelyn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /