



PALADIN ENERGY LTD

ACN 061 681 098

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

By Electronic Lodgement

Dear Sir/Madam

Kayelekera Mine, Malawi Acid Plant Restart – Temporary Processing Plant Shutdown

Paladin Energy Ltd ("Paladin") advises that the Kayelekera Mine processing plant has been shut down temporarily to allow replenishment of necessary operational sulphuric acid inventories. As previously announced on the 7th and 16th of September the acid plant has been undergoing remedial repair work made necessary due to localised ground movement and will have an earlier than previously planned re-start. To prepare the acid plant for this start-up, a minimum of 1,600 tonnes of free acid is required to facilitate the recommencement of this facility.

The early restart of the acid plant is regarded as a positive outcome, however, it is not possible to run the processing plant and at the same time restore acid stocks to sufficient levels with delays in recent acid deliveries to site. The shutdown of the processing plant will allow required acid stocks to be restored for the earlier start-up of the acid plant.

The acid plant is now expected to commence production on the 7th October, one week ahead of schedule. The uranium processing plant will then come back on line approximately 7 days later when the acid plant achieves its nameplate production of 230 tonnes per day and replenishes inventories.

The processing plant has been running well since the September announcements were made, with leach recovery averaging 85%, resin-in-pulp (RIP) recovery averaging 97% and overall recovery averaging 81%. No further delays are expected once required acid production is re-established.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO