



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 232612

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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 Update on Start-up – 1 week delay

Paladin Energy Ltd ("Paladin") wishes to advise that plant commissioning of the Kayelekera upgrades commenced 29 August as planned with a 4 day programme to get the plant online. With the drying and packaging plant temporarily offline, the additional tank storage needed for collecting the wet uranium precipitate, requires extra reinforcement so that about 4 weeks of production can be held in front of the centrifuge process step. The centrifuge is used to pre-dry the yellowcake to 25% moisture content before sending to Langer Heinrich for final drying and packaging. This reinforcement work is expected to take 1 week to complete after which plant operation will commence.

It has been decided to undertake remedial maintenance on the acid plant involving pipe repairs and other structural work to mitigate problems caused by earth movement. Once production recommences next week existing acid inventories will be supplemented by purchased sulphuric acid until the work on the acid plant is completed next month.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO