



## PALADIN ENERGY LTD

ACN 061 681 098

Ref: 289801

1 November 2012

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

By Electronic Lodgement

Dear Sir/Madam

### **Minor Offsite Protest Will Not Disrupt Kayelekera Operations**

Paladin Energy Limited ("Paladin" or the "Company") would like to advise that operations at its Kayelekera Mine ("KM") in Malawi are proceeding well and will not be impacted by a proposed demonstration in the nearby town of Karonga.

The Company has been informed that two small local non-government organisations, "Karonga Youth for Justice" and "Karonga Business Community," propose holding a peaceful demonstration near Karonga during 14-17 November, during which time they may blockade the M26 Public Highway which is an access route to KM. The Company has consulted the Malawi Police Force, who advise that any attempt to block the highway would be unlawful and necessary steps will be taken to ensure the public access is not restricted. Paladin does not anticipate any disruption to its operations however it also maintains adequate stocks of diesel and necessary reagents on site to mitigate the risk of supply disruptions due to weather or other reasons.

The protest is part of a campaign by a vocal minority which has made non-factual and misleading claims in respect of the Company's Corporate Social Responsibility ("CSR") undertakings to the community. Such claims include assertions that Paladin imports rice to feed its workforce rather than buying locally, which it does not; and that the Company discriminates against local suppliers in food tendering. This is definitely not the case as 23 local groups – including nine widows' co-operatives – supply food to the Kayelekera Operations. Paladin regards this as one of its success stories in CSR and currently, 70 per cent of all Kayelekera food is sourced from within Malawi.

In fiscal year 2012 Paladin contributed US\$48M overall to local suppliers and paid US\$9.6M in various forms of taxes to the Government of Malawi.

Paladin has responded publicly and in detail to these numerous claims made via various websites, however it is regrettable that the two NGOs persist in their erroneous and misleading assertions. Paladin has appreciably exceeded its CSR obligations as defined under the terms of Kayelekera Development Agreement. For further details of Paladin's extensive CSR programme in Malawi, please refer to the Sustainable Development section of the Company's 2012 Annual Report, which also notes the contribution by the Paladin employees through their charitable foundation which has raised in excess of A\$600,000 over the past 5 years to fund additional educational projects in Malawi.

The Kayelekera plant continues to run consistently and results of various cost optimisation efforts are becoming evident with continued improvement expected in the near term.

Yours faithfully  
Paladin Energy Ltd

**JOHN BORSHOFF**  
Managing Director/CEO