

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PALADIN ENERGY LTD

ABN

47 061 681 098

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current quarter	Year to date
		US\$'000	(12 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	24,844	72,615
1.2	Payments for		
	(a) exploration & evaluation	(339)	(2,300)
	(b) development	-	-
	(c) production	(18,169)	(90,025)
	(d) staff costs (excludes direct exploration, production and care and maintenance costs)	(504)	(1,769)
	(e) administration and corporate costs	(630)	(2,990)
	(f) restructure costs	(3,684)	(13,943)
	(g) care and maintenance costs	(1,586)	(5,744)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	137	293
1.5	Interest and other costs of finance paid	(99)	(9,756)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other income (provide details if material)	10	372
1.9	Net cash from / (used in) operating activities	(20)	(53,247)

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Consolidated statement of cash flows	Current quarter	Year to date
	US\$'000	(12 months)
		US\$'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(519)	(1,388)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	97	298
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Capitalised exploration and evaluation	24	(32)
2.6 Net cash from / (used in) investing activities	(398)	(1,122)
2.5 Capitalised exploration and evaluation written off in quarter.		
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	175,000
3.6 Repayment of borrowings	-	(80,000)
3.7 Transaction costs related to loans and borrowings	-	(1,838)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	93,162
3.5 <u>Proceeds from borrowings</u>		
US\$60M Deutsche Bank Facility drawdown on 21 July 2017.		
US\$115M 9%/10% payment in kind (PIK) toggle secured notes issued on 25 January 2018 and repayable on 25 January 2023.		
3.6 <u>Repayment of borrowings</u>		
US\$20M Nedbank Revolving Credit Facility repaid on 21 July 2017.		
US\$60M Deutsche Bank Facility repaid on 25 January 2018.		

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Consolidated statement of cash flows		Current quarter	Year to date
		US\$'000	(12 months)
			US\$'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	50,466	11,502
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20)	(53,247)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(398)	(1,122)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	93,162
4.5	Effect of movement in exchange rates on cash held	195	(52)
4.6	Cash and cash equivalents at end of period	50,243	50,243

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	US\$'000	US\$'000
5.1	Bank balances	2,204	3,421
5.2	Call deposits	48,039	47,045
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	50,243	50,466

6.	Payments to directors of the entity and their associates	Current quarter
		US\$'000
6.1	Aggregate amount of payments to these parties included in item 1.2	69
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. Payments to related entities of the entity and their associates	Current quarter US\$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	115,000	115,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

US\$115M 9%/10% payment in kind (PIK) toggle secured notes issued on 25 January 2018 and repayable on 25 January 2023.

9. Estimated cash outflows for next quarter	US\$'000
9.1 Exploration and evaluation	(667)
9.2 Development	-
9.3 Production	(9,826)
9.4 Staff costs (includes directors fees)	(2,263)
9.5 Administration and corporate costs	(933)
9.6 Other (care and maintenance costs)	(1,097)
Other (restructure costs)	(6,352)
9.7 Total estimated cash outflows	(21,138)

These estimated cash outflows exclude anticipated cash inflows from uranium sales in the range of 250,000lb to 300,000lb U₃O₈ and the sale of excess reagent inventories that are expected in the September 2018 quarter.

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 11898 QLD, Australia	Exploration Permit was reduced in area on 1st May 2018 – reduced from 18 sub-blocks to 16 sub-blocks.	20%	20%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPL 502 Malawi, Africa	Exploration Permit was granted to Paladin (Africa) Limited on 20 th April 2018 – 28.65 km ²	0%	85%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 20 July 2018

Print name: Andrea Betti

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.