

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")

31 December 2018

| Consolidated statement of cash flows | Current quarter US\$'000 | Year to date (6 months) US\$'000 |
|---|-------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 21,653 | 22,138 |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (12) | (14) |
| (b) development | - | - |
| (c) uranium purchased | (5,058) | (10,812) |
| (d) staff costs (excludes direct exploration and care and maintenance costs) | (714) | (1,225) |
| (e) administration and corporate costs | (593) | (1,149) |
| (f) restructure costs | (1,711) | (7,430) |
| (g) care and maintenance costs (includes proceeds from sale of reagents) | (261) | (7,472) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 51 | 139 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other income (provide details if material) | 12 | 167 |
| 1.9 Net cash from / (used in) operating activities | 13,367 | (5,658) |

Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows | | Current quarter | Year to date (6 months) |
|---|---|------------------------|------------------------------------|
| | | US\$'000 | US\$'000 |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | (15) | (29) |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | 298 | 312 |
| | (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 | (189) | (887) |
| 2.6 | Net cash from / (used in) investing activities | 94 | (604) |

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 | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| Consolidated statement of cash flows | | Current quarter | Year to date |
|---|---|------------------------|---------------------|
| | | US\$'000 | (6 months) |
| | | | US\$'000 |
| 4. | Net increase / (decrease) in unrestricted cash and cash equivalents for the period | | |
| 4.1 | Unrestricted cash and cash equivalents at beginning of period | 19,520 | 39,166 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 13,367 | (5,658) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 94 | (604) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | (16) | 61 |
| 4.6 | Unrestricted cash and cash equivalents at end of period | 32,965 | 32,965 |

| 5. Reconciliation of unrestricted 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 | 17,207 | 1,209 |
| 5.2 Call deposits | 15,758 | 18,311 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Unrestricted cash and cash equivalents at end of quarter (should equal item 4.6 above) | 32,965 | 19,520 |

| 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 | 132 |
| 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 | |

| 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 net cash inflow for next quarter | US\$'000 |
|--|----------------|
| 9.1 Exploration and evaluation | (223) |
| 9.2 Staff costs (excludes direct exploration and care and maintenance costs) | (533) |
| 9.3 Administration and corporate costs | (1,090) |
| 9.4 Care and maintenance costs (includes proceeds from sale of reagents) | (2,398) |
| 9.5 Restructure costs | (706) |
| 9.6 Total estimated net cash inflow | (4,950) |

Mining exploration entity and oil and gas exploration entity quarterly report

| 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 | E08/1645 Western Australia | Exploration Licence was reduced in area on 7 th December 2018 – relinquished 111 blocks. | 100% | 100% |
| | | E08/1646 Western Australia | Exploration Licence was reduced in area on 7 th December 2018 – relinquished 71 blocks. | 100% | 100% |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | | |

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: 18 January 2019

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.