PALADIN ENERGY LTD
ACN 061 681 098

Ref: 306293

14 May 2013

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

By Electronic Lodgement

Dear Sir/Madam

31 March 2013 Interim Financial Report and MD&A

Attached please find the Interim Financial Report for the nine months ended 31 March 2013 including Report to Shareholders, Management Discussion and Analysis, Interim Financial Statements and Certifications as required in accordance with Canadian reporting requirements.

Yours faithfully
Paladin Energy Ltd

GILLIAN SWABY
Company Secretary

PALADIN ENERGY LTD

ACN 061 681 098

NEWS RELEASE **For Immediate Distribution**

PALADIN ENERGY: FINANCIAL REPORT FOR NINE MONTHS ENDED 31 MARCH 2013

Perth, Western Australia – 14 May 2013: Paladin Energy Ltd ("Paladin" or "the Company") **(TSX:PDN / ASX:PDN)** announces the release of its consolidated Financial Report for the nine months ended 31 March 2013. The Financial Report is appended to this News Release.

HIGHLIGHTS

OPERATIONS

- **Combined production for the nine months of 6.112Mlb U_3O_8, an increase of 26% over the nine months ended 31 March 2012, achieving 96% of nameplate production for the nine months.**
- **Quarterly combined production of 1.992Mlb U_3O_8, an increase of 12% over the March 2012 quarter achieving 95% of nameplate production for the quarter.**
- **C1 cost of production continued to fall quarter by quarter. Langer Heinrich C1 cost of production for the quarter remained steady compared to the December 2012 quarter at US$29.8/lb U_3O_8 and has decreased 8% since June 2012. Kayelekera C1 cost of production for the quarter decreased 8% to US$39.8/lb U_3O_8 in the March quarter and has decreased 24% since June 2012.**
- **Both mines now operating at nameplate performance and production optimisation initiatives continue to improve recoveries and reduce unit operating costs.**
- **Completion Tests satisfied at both Langer Heinrich and Kayelekera.**
- **FY2013 production guidance of 8.0 - 8.5Mlb U_3O_8 remains on target.**
- **Due to continued uranium price weakness, an impairment expense of US$44.8M recorded at Kayelekera for the March 2013 quarter, totalling US$140.8M for the nine months.**

SALES AND REVENUE

- **Strong sales of US$106M for the quarter selling 1.92Mlb U_3O_8 at an average realised sales price of US$55.22/lb.**
- **Sales revenue for the nine months increased by 25% from US$240.0M in 2012 to US$301.0M in 2013. Sales volume for the nine months increased by 33% from 4.457Mlb U_3O_8 in 2012 to 5.928Mlb U_3O_8 in 2013.**
- **Average realised sales price of US$50.8/lb U_3O_8 for the nine months ended 31 March 2013, compared to average UxC spot price of US$44.95lb.**

CORPORATE

- **Final payment of US$150M received from Electricité de France S.A. ("EdF") pursuant to the Long Term Off-take Contract.**
- **Total debt repayment of US$181M during the nine months including repayment of balance of March 2013 Convertible Bond of US$134.**
- **Cash of US$112.9M at 31 March 2013.**
- **Strategic initiatives to unlock value from some of Paladin's assets have advanced with keen interest and final bids are being assessed. Results expected during the June 2013 quarter.**

Level 4, 502 Hay Street, Subiaco, Western Australia 6008 Postal: PO Box 201, Subiaco, Western Australia 6904
Tel: +61 (8) 9381 4366 Fax: +61 (8) 9381 4978 Email: paladin@paladinenergy.com.au Website: www.paladinenergy.com.au

Results

(References below to 2013 and 2012 are to the equivalent nine months ended 31 March 2012 and 2012 respectively).

- **Safety and Sustainability:**
  - Continued high safety performance with a 12-month moving average Lost Time Injury Frequency Rate of 1.2.
  - The annual NOSA HSE grading audit for Langer Heinrich confirmed a 4 Platinum Star rating.
  - Kayelekera achieved a milestone 365 LTI free days on 28 March 2013.
- **Production:**
  - Combined production for the nine months of 6.112Mlb U_3O_8, an increase of 26% on the nine months ended March 2012, achieving 96% of nameplate production of 6.375Mlb U_3O_8 for the nine months.
  - Quarterly combined production of 1.992Mlb U_3O_8, a decrease of 9% on the December 2012 quarter, achieving 95% of nameplate production of 2.125Mlb U_3O_8 for the quarter.
- **Langer Heinrich Mine:**
  - Production for the nine months of 3.939Mlb U_3O_8, an increase of 27% over the nine months ended 31 March 2012 achieving 101% of nameplate design capacity.
  - Quarterly production of 1.230Mlb U_3O_8 is a decrease of 13% over the previous quarter and achieved 96% of nameplate design capacity.
    - Strong recovery of 86.7% versus design of 85%.
    - Feed grades of 810ppm U_3O_8 versus design of 800ppm.
  - Production was influenced by temporary water constraints and some operational issues. Those are being resolved with improved water conservation measures in place and desalinated water scheduled to be introduced in mid May 2013.
  - Production capacity remains robust and above nameplate.
  - Further optimisation initiatives underway.
- **Kayelekera Mine:**
  - Production for the nine months of 2.173Mlb U_3O_8, an increase of 24% over the nine months ended 31 March 2013, achieving 88% of nameplate design capacity.
  - Quarterly production of 0.762lb U_3O_8 is a decrease of 1% over the previous quarter and achieved 94% of nameplate design capacity.
    - Record recovery of 87.1%.
    - Feed grades of 1,094ppm U_3O_8 on track (design is 1,100ppm).
  - Average daily production at an all-time high for the quarter.
  - Maintaining self-sufficiency on acid requirements.
  - Benefits of process optimisation continue to be realised.
- **Impairment:**
  - Due to continued uranium price weakness, an impairment expense of US$44.8M has been recorded at Kayelekera for the March 2013 quarter, totalling US$140.8M for the nine months.
- **Completion Tests:**
  - The Completion Tests under both the Langer Heinrich Mine project finance facility and the Kayelekera Mine project finance facility were satisfied during the quarter which has resulted in a reduction in interest charges and provides greater flexibility with regards to voluntary prepayments and distributions under both facility agreements.

- **Sales:**

  - Sales revenue increased 25% from US$240.0M in 2012 to US$301.0M for the nine months ended March 2013, as a result of higher sales volumes. The average realised uranium price for the nine months was US$50.8/lb U_3O_8 (2012: US$53.8/lb). The average UxC spot price for the nine months was US$44.95/lb.
  - Total sales volume for the nine months of 5.928Mlb U_3O_8 - a 33% increase over the nine months ended March 2012 sales of 4.457Mlb U_3O_8.
  - Uranium sales volumes are expected to fluctuate quarter-on-quarter due to the uneven timing of contractual commitments and resultant scheduling by customers. Now that production has reached design levels, sales and production volumes are expected to be comparable on an annualised basis.

- **C1 Cost of Production:**

  - Langer Heinrich C1 cost of production for the March 2013 quarter remained steady at US$29.8/lb U_3O_8 compared to the December 2012 quarter. The underlying cost base reduced and C1 costs reductions would have been realised if nameplate production had been achieved. C1 cost has decreased 8% since June 2012, in line with the Company's projections.
  - Kayelekera C1 cost of production continued to drop substantially to US$39.8/lb, a reduction of 8.5% in the March 2013 quarter from the C1 cost of production of US$43.5/lb U_3O_8 for the December 2012 quarter. C1 cost of production for the March 2013 quarter decreased 24% from US$52.7/lb in the March 2012 quarter.
  - Further improvements in C1 costs are expected as a number of cost saving initiatives at both sites have yet to be fully implemented.

    [1] C1 Cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term.

- **Cost Reduction/Production Optimisation Initiative:**

  - Following both operations reaching nameplate performance, the sites have now entered a period of optimisation, which is leading to improved process recoveries and reduced unit operating costs. Some elements of this work have the potential to expand the reserve base at Langer Heinrich by being able to use lower ROM feed grades.
  - In November 2012, the Company announced its programme to reduce costs within the Group, which is expected to realise US$60M to US$80M total savings over FY13 and FY14. The comprehensive cost and production optimisation review is part of the process of moving from development to a sustained production phase. The cost review encompassed examination of all activities within the Paladin Group from its mining operations, corporate/administration overheads, future development considerations, exploration, sales and business development. Opportunity for re-negotiation of key mining and consumables contracts has arisen, paving the way for material cost reductions over the next two years.
  - The Company remains focused on reducing costs across all facets of the business and work continues to identify more cost saving opportunities. These cost cutting measures are proceeding in accordance with the targets outlined in the November 2012 cost cutting announcement.
  - The two key optimisation projects at Kayelekera identified in the last quarterly, grid power and acid recycling, are progressing well, although both have experienced minor delays. Notwithstanding the delays, costs remain within budget expectation.
  - Two further optimisation initiatives at Kayelekera are also underway. Continuous resin advance will be trialled in the coming quarter with a view to full implementation in the following quarter. In addition to this initiative, the milling classification circuit is also being upgraded with a view to reducing milling power consumption and grind size. The reduced grind size will result in improved leach and RIP performance.

- **Profit and Loss:**

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Revenue	**106.4**	**67.8**	**301.9**	**241.2**
Costs before depreciation and amortisation	(77.8)	(44.0)	(230.2)	(168.0)
Impairment loss in prior year relating to inventory sold during the year	9.7	2.5	29.1	13.7
Impairment – inventory	(3.3)	(11.9)	(13.7)	(11.9)
Royalties and distribution	(4.5)	(2.8)	(15.1)	(11.8)
Depreciation and amortisation	(14.1)	(8.3)	(43.1)	(32.9)
Gross profit	**16.4**	**3.3**	**28.9**	**30.3**
Exploration expenses	(0.3)	(0.2)	(1.2)	(1.6)
Site non-production costs	(4.7)	(4.0)	(12.3)	(14.1)
Corporate, marketing and administration	(5.9)	(4.8)	(17.6)	(15.7)
	5.5	**(5.7)**	**(2.2)**	**(1.1)**
Non-cash costs	(1.2)	(2.3)	(4.8)	(6.8)
Other income & expenses	(44.0)	(3.4)	(143.0)	(188.5)
Loss before interest and tax	**(39.7)**	**(11.4)**	**(150.0)**	**(196.4)**
Finance costs	(16.0)	(10.7)	(49.6)	(38.6)
Loss before income tax	**(55.7)**	**(22.1)**	**(199.6)**	**(235.0)**
Income tax (expense)/ benefit	(4.8)	2.7	(84.5)	74.8
Loss after tax	**(60.5)**	**(19.4)**	**(284.1)**	**(160.2)**
Non-controlling interests	6.4	1.9	36.4	22.5
Net loss after tax attributable to members of the parent	**(54.1)**	**(17.5)**	**(247.7)**	**(137.7)**

- Gross profit for the nine months decreased to US$28.9M from US$30.3M in 2012 due to lower prices, partially offset by a 33% increase in sales volumes and a US$13.7M impairment of inventories at Kayelekera (2012: US$11.9M).
- Site non-production costs for the nine months were reduced by US$1.8M to US$12.3M due mainly to a decrease in expenditure relating to the Langer Heinrich Mine Stage 4 expansion evaluation study, which is being reviewed in the light of the experience gained through the optimisation of Stage 3 and the new pathways that have been identified. This has been partially offset by US$1.2M expenditure on process optimisation testing and pilot work at Kayelekera.
- Corporate and marketing costs were US$1.9M higher for the nine months predominantly due to restructure costs of US$0.4M and one-off costs in relation to consultants and advisory services.
- Non-cash costs for the nine months, mainly share-based payments, were reduced by US$2.0M to US$4.8M as a result of a reduction in share rights granted compared to 2012.
- Other income and expenses for the nine months mainly reflect the impairment of the Kayelekera Mine asset expense of US$140.8M (2011: US$178.9M) caused by the continued low uranium price. Further pit optimisation work is being undertaken and, in addition, benefits should arise when future U_3O_8 price forecasts reflect the supply/demand imbalance. Additionally, other expenses include the write-off of fixed costs during the plant shutdowns of US$2.6M (2011: US$9.2M).
- Income tax expense for the nine months of US$84.5M is predominantly the result of the de-recognition of the net deferred tax asset ("DTA") at December 2012 of US$98.2M at Kayelekera arising from unrealised foreign exchange differences and carry forward tax losses previously recognised. The unrealised foreign exchange difference had arisen on intercompany loans due to the extreme devaluation of 104% in the Malawian Kwacha over the last 12 months from an average of US$1=MKW160 to US$1=MKW327 at 31 December 2012.

- Net loss after tax of US$247.7M was recorded for the nine months, mainly as a result of the US$98.2M de-recognition of the Kayelekera Mine net DTA, US$140.8M impairment associated with the write-down of the Kayelekera Mine assets, the US$13.7M inventory impairment at Kayelekera and finance costs relating to interest payable on the outstanding convertible bonds and project finance loans.

- **Cash Flow:**
  - Positive cashflow from operating activities of US$216.9M for the nine months ended 31 March 2013 was primarily due to receipts from customers of US$323.6M and receipt of the off-take agreement funds of US$200.0M. Positive cash flow of US$67.4M was generated by the Langer Heinrich and Kayelekera operations before investment in working capital required to support higher production levels, payments for administration, marketing and non-production costs of US$28.6M. The remaining expenditure comprises US$1.2M for exploration and net interest paid of US$26.8M.
  - Cash outflow from investing activities of US$34.9M for the nine months ended 31 March 2013 relating mainly to plant and equipment acquisitions of US$21.6M, predominantly the new tailings facility at Langer Heinrich and capitalised exploration expenditure of US$14.3M. Exploration expenditure in foreseeable periods will be lower.
  - Cash outflow from financing activities of US$181.5M for the nine months ended 31 March 2013 was mainly attributable to repayment of the US$134M remaining on the US$325M Convertible Bonds issued on 11 March 2008, repayment of project financing for KM of US$29.9M and LHM of US$17.0M.
- **Cash Position:**
  - Cash of US$112.9M at 31 March 2013.
- **Long-term Off-take Contract with a US$200M prepayment:**
  - US$200M payment received pursuant to the Long Term Off-take Contract with Electricité de France S.A.
- **Mid-term Sales Contracts Secured:**
  - Two mid-term off-take agreements secured for a total of 6.3Mlb U_3O_8 being delivered from late 2012 to end of 2015 at approximately 2Mlb pa from both mines. Pricing will be determined predominately by the market price at the time of delivery (without floor or ceiling limitations), while a minority portion of the delivery prices will be in accordance with a series of specified fixed prices, which exceed current spot uranium prices.
- **Exploration and Development:**
  - Aurora – Michelin Uranium Project, Canada – Winter infill drilling programme has been completed. An updated mineral resource estimate for the Michelin deposit is planned for late June/early July 2013 after all assays have been received and validated.
  - Manyingee Project, Australia – Evaluation of the 2012 drilling results is concentrating on developing an updated JORC-compliant resource and new hydrogeological model to be used in any future in-situ recovery ('ISR') leach trial operations. An updated mineral resource estimate is expected in the June 2013 quarter.
- **Guidance FY2013**
  - The continued solid and stable quarterly and year to date production over the 9 months ended 31 March 2013 of 6.112Mlb U_3O_8, with clear opportunities for continued improvement, place the Group in a good position to achieve its stated production target guidance of 8.0 to 8.5Mlb U_3O_8.
- **Strategic Initiative Efforts**
  - Considerable effort has been applied to advance the strategic initiative to unlock value from Paladin's asset base. There was keen interest by those selected parties to become involved in the final phase to select a specific partner.
  - Post this reporting period, progress has been made according to schedule for which an announcement is expected to be made in the June quarter.
  - The proceeds from these initiatives will be applied to debt reduction and strengthening the balance sheet.

The documents comprising the Financial Report for the nine months ended 31 March 2013, including the Management Discussion and Analysis, Financial Statements and Certifications are attached and will be filed with the Company's other documents on Sedar (sedar.com) and on the Company's website (paladinenergy.com.au).

Generally Accepted Accounting Practice

The news release includes non-GAAP performance measures: C1 cost of production, non-cash costs as well as other income and expenses. The Company believes that, in addition to the conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Declaration

The information in this Announcement relating to exploration and mineral resources is, except where stated, based on information compiled by David Princep B.Sc who is a Fellow of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and as a Qualified Person as defined in NI 43-101. Mr Princep is a full-time employee of Paladin Energy Ltd and consents to the inclusion of this information in the form and context in which it appears.

Conference Call

Conference Call and Investor Update is scheduled for 06:30 Perth & Hong Kong, Wednesday 15 May 2013, 18:30 Toronto and 23:30 London, Tuesday 14 May 2013. Details are included in a separate news release dated 10 May 2013.

Contacts

For additional information, please contact:

John Borshoff
Managing Director/CEO
Tel: +61-8-9381-4366 or Mobile: +61-419-912-571
Email: john.borshoff@paladinenergy.com.au

Alan Rule
Chief Financial Officer
Tel: +61-8-9381-4366 or Mobile: +61-438- 942-144
Email: alan.rule@paladinenergy.com.au

Greg Taylor
Investor Relations Contact
Tel: +1 905 337-7673 or Mobile: +1 416-605-5120 (Toronto)
Email: greg.taylor@paladinenergy.com.au

Andrew Mirco
Investor Relations Contact
Tel: +61-8-9381-4366 or Mobile: +61-409-087-171
Email: andrew.mirco@paladinenergy.com.au

PALADIN ENERGY LTD

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE NINE MONTHS ENDED

31 MARCH 2013

Table of Contents – Third Quarter Report 31 March 2013

The financial report covers the Group consisting of Paladin Energy Ltd (referred throughout as the Company or Paladin) and its controlled entities.

The following Management Discussion and Analysis ("MD&A") for Paladin Energy Ltd ("Company") and its controlled entities ("Group") should be read in conjunction with the Consolidated Financial Statements for the nine months ended 31 March 2013. The effective date of this report is 14 May 2013.

The financial information presented in this MD&A has been extracted from the attached financial statements.

In addition to these Australian requirements, further information has been included in the Consolidated Financial Statements for the nine months ended 31 March 2013 in order to comply with applicable Canadian securities law, as the Company is also listed on the Toronto Stock Exchange.

Additional information relating to the Company and its operations, including the Company's Quarterly Activities Report for each of the periods ended 30 September 2012, 31 December 2012 and 31 March 2013 and the most recent Annual Report for the year ended 30 June 2012 and other public announcements are available at www.paladinenergy.com.au.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A, including those relating to strategies and other statements, are predictive in nature, and depend upon or refer to future events or conditions, or include words such as "expects", "intends", "plans", "anticipates", "believes", "estimates" or similar expressions that are forward looking statements. Forward looking statements include, without limitation, the information concerning possible or assumed further results of operations as set forth herein. These statements are not historical facts but instead represent only expectations, estimates and projections regarding future events and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally.

The forward looking statements contained in this MD&A are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. The future results of the Company may differ materially from those expressed in the forward looking statements contained in this MD&A due to, among other factors, the risks and uncertainties inherent in the business of the Company. The Company does not undertake any obligation to update or release any revisions to these forward looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of anticipated events.

OVERVIEW

The Group has two operating uranium mines in Africa, uranium exploration projects in Australia, Africa and Canada, and a strategy to become a major uranium mining house. The Company is incorporated under the laws of Western Australia with a primary share market listing on the Australian Securities Exchange ("ASX") and additional listings on the Toronto Stock Exchange ("TSX") in Canada; as well as the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The main activities and results during the nine months ended 31 March 2013 were:

- Continued solid quarterly and year to date production at both the Langer Heinrich and Kayelekera mines.
  - Combined production for the nine months of 6.112Mlb (2.773t) U_3O_8 is an increase of 26% over the nine months ended 31 March 2012 and achieved 96% of nameplate production of 6.375Mlb U_3O_8 for the nine months.
  - Combined production for the March quarter of 1.992Mlb (904t) U_3O_8 is a decrease of 9% from the December 2012 quarter and achieved 95% of nameplate production of 2.125Mlb U_3O_8 for the quarter.
- Langer Heinrich Mine ("LHM") March 2013 quarterly production of 1.230Mlb (558t) U_3O_8 is a decrease of 13% over the previous quarter and achieved 96% of nameplate design capacity. Additionally:
  - Production was influenced by temporary water constraints and some operational issues. Those are being resolved with improved water conservation measures in place and desalinated water scheduled to be introduced in mid May 2013.
  - Strong recovery of 86.7% versus design of 85%.
  - Feed grades of 810ppm U_3O_8 versus design of 800ppm.
  - Production capacity remains robust and above nameplate.
  - Further optimisation initiatives underway.
  - Stage 3 Bankers' Completion Tests successfully completed on 25 January 2013.
- Kayelekera Mine ("KM") March 2013 quarterly production of 0.762Mlb (346t) U_3O_8 is a decrease of 1% over the previous quarter and achieved 94% of nameplate design capacity. Additionally:
  - Average daily production at an all-time high for the quarter.
  - Record recovery of 87.1%.
  - Feed grades of 1,094ppm U_3O_8 on track (design is 1,100ppm).
  - Maintaining self sufficiency on acid requirements.
  - Safety milestone of 365 lost time injury free days achieved.
  - Bankers' Completion Tests successfully completed on 25 March 2013.
- Strong sales revenue of US$106.1M for the March 2013 quarter, selling 1.920Mlb U_3O_8 at average price of US$55.2/lb. Sales for the nine months of 5.928Mlb U_3O_8 generated revenue of US$301.0M representing an average sale price of US$50.8/lb.
- US$200M payment received pursuant to the Long Term Off-take Contract with Électricité de France S.A. ("EdF").
- Balance of March 2013 convertible bonds of US$134M repaid in full.
- Cost savings and production optimisation initiatives continue successfully with total costs and unit production costs reducing at both mines for both the quarter and the nine months.
- FY2013 production guidance of 8.0 – 8.5Mlb U_3O_8 remains on target.

- Due to continued uranium price weakness, an impairment expense of US$44.8M has been recorded at KM for the March quarter, raising this to a total of US$140.8M for the nine months.

- Income tax expense for the nine months of US$84.5M is predominantly the result of the de-recognition of the net deferred tax asset at 31 December 2012 of US$98.2M at KM arising from unrealised foreign exchange differences and carry forward tax losses previously recognised. The unrealised foreign exchange difference on intercompany loans has arisen due to the extreme devaluation of 104% in the Malawian Kwacha over the last 12 months from an average of US$1 = MWK160 to US$1 = MWK 327 at 31 December 2012.

SUMMARISED INCOME STATEMENT

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Revenue	**106.4**	**67.8**	**301.9**	**241.2**
Gross profit	**16.4**	**3.3**	**28.9**	**30.3**
Exploration and evaluation expenses	(0.3)	(0.2)	(1.2)	(1.6)
Administration, marketing and non-production costs	(11.8)	(11.1)	(34.7)	(36.6)
Other expenses and income	(44.0)	(3.4)	(143.0)	(188.5)
Loss before interest and tax	(39.7)	(11.4)	(150.0)	(196.4)
Finance costs	(16.0)	(10.7)	(49.6)	(38.6)
Income tax (expense)/benefit	(4.8)	2.7	(84.5)	74.8
Net loss after tax	**(60.5)**	**(19.4)**	**(284.1)**	**(160.2)**
Loss after tax attributable to:				
Non-controlling interests	(6.4)	(1.9)	(36.4)	(22.5)
Members of the parent	(54.1)	(17.5)	(247.7)	(137.7)
	(60.5)	**(19.4)**	**(284.1)**	**(160.2)**
Loss per share - basic & diluted (US cents)	(6.5)	(2.0)	(29.6)	(16.9)

Three Months Ended 31 March 2013

References below to 2013 and 2012 are to the equivalent three months ended 31 March 2013 and 2012 respectively.

C1 cost of production = cost of production excluding product distribution costs, sales royalties and depreciation and amortisation before adjustment for impairment. C1 cost, which is non-IFRS information, is a widely used 'industry standard' term. C1 cost information (unreviewed) has been extracted from the financial statements. For an analysis of total cost of sales refer to Note 5(b) to the financial statements.

Analysis of Income Statement

ANALYSIS OF REVENUE AND GROSS PROFIT

			Three months ended 31 March	
			2013	**2012**
			US$M	**US$M**
Revenue from sales of uranium oxide	Up	58%	106.1	67.3
Gross profit	Up	397%	**16.4**	**3.3**
Realised uranium sales price			US$55.2/lb	US$59.2/lb
			Mlb U_3O_8	**Mlb U_3O_8**
LHM sales volume	Up	12%	0.790(1)	0.707
KM sales volume	Up	163%	1.130(2)	0.430
Total sales volume	Up	69%	**1.920**	**1.137**
LHM production	Up	17%	1.230	1.052
KM production	Up	5%	0.762	0.725
Total production	Up	12%	**1.992**	**1.777**

(1) Includes 0.050Mlb of LHM material sold through Paladin Energy Ltd/Paladin Nuclear Ltd.
(2) Includes 0.100Mlb of LHM material sold through Paladin Energy Ltd/Paladin Nuclear Ltd.

Revenue increased 57%, from US$67.8M in 2012 to US$106.4M in 2013 due to increased revenue from sales of uranium of US$67.3M in 2012 to US$106.1M in 2013. Sales volume in 2013 of 1.920MIb U_3O_8 increased by 69% from 1.137MIb U_3O_8 in 2012. The average realised uranium sales price in 2013 was US$55.2/lb U_3O_8 (2012: US$59.2/lb U_3O_8) compared to the average UxC spot price for the three months of US$42.71/lb U_3O_8 (2012: US$52/lb U_3O_8).

Gross Profit in 2013 of US$16.4M is higher than in 2012 (US$3.3M) due to a 69% increase in sales volumes which was partially offset by lower sales prices and a US$3.3M impairment of KM inventory. An impairment was required to reduce the cost of KM inventory held at 31 March 2013 to a net realisable value using the current low uranium prices. The C1 cost of production for LHM remained steady in the March 2013 quarter compared to the December 2012 quarter at US$29.8/lb (2012: US$32.4/lb U_3O_8) and has decreased 8% since the quarter ended June 2012 from US$32.2/lb U_3O_8. The C1 cost of production for KM in quarter ended 31 March 2013 (excluding impact of impairment) decreased to US$39.8/lb U_3O_8 (2012: US$52.7/lb U_3O_8). These results provide evidence that the cost benefits from the cost optimisation programme are being realised. Further improvements in C1 costs are expected over the next 12 to 18 months as a number of cost saving initiatives at both sites have yet to be fully implemented. Cost optimisation continues to be a key focus, with specific target areas including mining, acid, reagents, diesel and transport.

Exploration and Evaluation Expenditure of US$0.3M in 2013, which relates to early stage work and project generation activities in Australia and Malawi, increased from 2012 (US$0.2M).

ANALYSIS OF ADMINISTRATION, MARKETING & NON-PRODUCTION COSTS

			Three months ended 31 March	
			2013 US$M	**2012 US$M**
Corporate & marketing	Up	23%	(5.9)	(4.8)
Mines sites (LHM & KM)	Up	10%	(2.2)	(2.0)
Canadian operations	Down	156%	0.5 [1]	(0.9)
Non-cash – share-based payments	Down	61%	(0.7)	(1.8)
Non-cash – depreciation	Unchanged	Nil	(0.5)	(0.5)
Royalties	Up	229%	(2.3)	(0.7)
LHM Stage 4 expansion project	Up	25%	(0.5)	(0.4)
KM research and development	Up	100%	(0.2)	-
Total			**(11.8)**	**(11.1)**

[1] Additional costs have been capitalised to the deferred exploration asset.

Administration, Marketing and Non-production Costs have increased by US$0.7M from US$11.1M to US$11.8M. The increase is predominantly due to corporate and marketing costs increasing due to one-off costs in relation to consultants and advisory services. Additionally, there has been expenditure of US$0.2M relating to a metallurgical research and development project at KM. These increases have been partially offset by a decrease of US$1.1M in non-cash share-based payments expense as there was a reduction in the number of share rights granted compared to 2012, a decrease of US$1.0M relating to the LHM Stage 4 expansion evaluation project and a decrease of US$1.4M due to the additional costs being capitalised to the deferred exploration asset.

Other Expenses and Income have increased from US$3.4M to US$44.0M predominantly due to an impairment of the KM assets of US$44.8M (2012: nil), which reflects a reduction of the recoverable value of these assets resulting from the continued low uranium price.

Finance Costs have increased from US$10.7M by US$5.3M to US$16.0M due to an increase in debt outstanding and increased funding costs. Finance costs relate primarily to interest payable and accretion on the outstanding US$134M convertible bonds issued 11 March 2008 repaid in March 2013, the US$300M convertible bonds issued 5 November 2010, the US$274M convertible bonds issued 30 April 2012, the US$68.1M project finance loan for KM and the US$101.5M project finance loan for LHM Stage 3.

Income Tax Expense of US$4.8M for the three months to 31 March 2013 is predominantly the result of a decrease in the amount of tax losses recognised in Australia and the profit arising in Namibia.

Non-controlling Interest in net losses of US$6.4M is attributable to the 18.0% interest in Summit Resources Limited (Summit) held by third parties and the 15% interest in Paladin (Africa) Ltd ("PAL") held by the Government of Malawi.

Loss after Tax attributable to the members of the parent for 2013 of US$54.1M was higher than the loss after tax for 2012 of US$17.5M predominantly as a result of the recognition of the KM inventory and assets impairments totalling US$48.1M discussed earlier. The loss before impairment was US$12.6M.

Loss per Share noted on the Income Statement reflects the underlying result for the specific reported periods and the additional shares issued in 2013 compared to 2012.

Nine Months Ended 31 March 2013

References below to 2013 and 2012 are to the equivalent nine months ended 31 March 2013 and 2012 respectively.

Analysis of Income Statement

ANALYSIS OF REVENUE AND GROSS PROFIT

			Nine months ended 31 March	
			2013	**2012**
			US$M	**US$M**
Revenue from sales of uranium oxide	Up	25%	301.0	240.0
Gross profit	Down	5%	**28.9**	**30.3**
Realised uranium sales price			US$50.8/lb	US$53.8/lb
			Mlb U_3O_8	**Mlb U_3O_8**
LHM sales volume	Up	16%	3.623[(1)]	3.127[(2)]
KM sales volume	Up	73%	2.305[(2)]	1.330
Total sales volume	Up	33%	**5.928**	**4.457**
LHM production	Up	27%	3.939	3.094
KM production	Up	24%	2.173	1.752
Total production	Up	26%	**6.112**	**4.846**

(1) Includes 0.541Mlb of LHM material sold through Paladin Energy Ltd/Paladin Nuclear Ltd.
(2) Includes 0.100Mlb of LHM material sold through Paladin Energy Ltd/Paladin Nuclear Ltd.

Revenue increased 25%, from US$241.2M in 2012 to US$301.9M in 2013 due to increased revenue from sales of uranium from US$240.0M in 2012 to US$301.0M in 2013. Sales volume in 2013 of 5.928Mlb U_3O_8 increased by 33% from 4.457Mlb U_3O_8 in 2012. The average realised uranium sales price in 2013 was US$50.8/lb U_3O_8 (2012: US$53.8/lb U_3O_8) compared to the average UxC spot price for the nine months of US$44.95/lb U_3O_8.

Gross Profit in 2013 of US$28.9M is lower than in 2012 (US$30.3M) due to lower prices, partially offset by a 33% increase in sales volumes, and the US$13.7M impairment of KM inventory (2012: US$11.9M). An impairment was required to reduce the cost of KM inventory held at 30 September 2012, 31 December 2012 and 31 March 2013 to a net realisable value using the current low uranium prices. The C1 cost of production for LHM, for the nine months, in 2013 remained relatively stable at US$30.4/lb U_3O_8 (2012: US$30.3/lb U_3O_8). The C1 cost of production for KM in 2013 (excluding impact of impairment) decreased to US$43.9/lb U_3O_8 (2012: US$52.6/lb U_3O_8). These results provide evidence that the cost benefits from the cost optimisation programme are being realised. Further improvements in C1 costs are expected over the next 12 to 18 months as a number of cost saving initiatives at both sites have yet to be fully implemented. Cost optimisation continues to be a key focus, with specific target areas including mining, acid, reagents, diesel and transport.

Exploration and Evaluation Expenditure of US$1.2M in 2013, which relates to early stage work and project generation activities in Australia and Malawi, decreased from 2012 (US$1.6M).

ANALYSIS OF ADMINISTRATION, MARKETING & NON-PRODUCTION COSTS

			Nine months ended 31 March	
			2013 US$M	**2012 US$M**
Corporate & marketing	Up	10%	(17.2)	(15.7)
Restructure costs	Up	100%	(0.4)	-
Mines sites (LHM & KM)	Down	11%	(6.2)	(7.0)
Canadian operations	Down	84%	(0.3)	(1.9)
Non-cash – share-based payments	Down	36%	(3.3)	(5.2)
Non-cash – depreciation	Down	6%	(1.5)	(1.6)
Royalties	Up	106%	(3.5)	(1.7)
LHM Stage 4 expansion project	Down	69%	(1.1)	(3.5)
KM research and development	Up	100%	(1.2)	-
Total			**(34.7)**	**(36.6)**

Administration, Marketing and Non-production Costs have decreased by US$1.9M from US$36.6M to US$34.7M. There has been a decrease of US$1.9M in non-cash share-based payments expense as there was a reduction in the number of share rights granted compared to 2012, a decrease of US$2.4M relating to the LHM Stage 4 expansion evaluation project and a decrease US$1.6M due to the additional costs being capitalised to the deferred exploration asset. These savings have been partially offset by expenditure of US$1.2M relating to a metallurgical research and development project at KM and restructure costs of US$0.4M. Corporate and marketing costs have increased due to one-off costs in relation to consultants and advisory services.

Other Expenses and Income have decreased from US$188.5M to US$143.0M due predominantly to a lower impairment charge of the KM assets in 2013 of US$140.8M compared to US$178.9M in 2012 and a lower write-off of the fixed costs of KM of US$2.6M predominantly during the August 2012 plant shutdown compared to US$9.2M in the comparative nine months. The continued low uranium price has resulted in a reduction of the recoverable value of KM assets, resulting in the impairment charge.

Finance Costs have increased from US$38.6M by US$11.0M to US$49.6M due to increases in debt outstanding and funding costs. Finance costs relate primarily to interest payable and accretion on the outstanding US$134M convertible bonds issued 11 March 2008 repaid in March 2013, the US$300M convertible bonds issued 5 November 2010, the US$274M convertible bonds issued 30 April 2012, the US$68.1M project finance loan for KM and the US$101.5M project finance loan for LHM Stage 3.

Income Tax Expense of US$84.5M for the nine months to 31 March 2013 is predominantly the result of the de-recognition of the US$98.2M KM net deferred tax assets (“DTA”) at 31 December 2012 arising from unrealised foreign exchange losses and carry forward tax losses previously recognised. The unrealised foreign exchange difference on intercompany loans has arisen due to the extreme devaluation of 104% in the Malawian Kwacha over the last 12 months from an average of US$1 = MWK160 to US$1 = MWK 327 at 31 December 2012.

Non-controlling Interest in net losses of US$36.4M is attributable to the 18.0% interest in Summit held by third parties and the 15% interest in PAL held by the Government of Malawi.

Loss after Tax attributable to the members of the parent for 2013 of US$247.7M was higher than the loss after tax for 2012 of US$137.7M predominantly as a result of the de-recognition of the KM net DTA and the recognition of the KM impairments discussed earlier. The loss before impairment and de-recognition of the KM net DTA was US$48.3M.

Loss per Share noted on the Income Statement reflects the underlying result for the specific reported periods and the additional shares issued in 2013 compared to 2012.

Summary of Quarterly Financial Results

		2013 Mar Qtr	**2012 Dec Qtr**	**2012 Sep Qtr**	**2012 Jun Qtr**
Total revenues	**US$M**	106.4	134.2	61.3	126.2
Sales volume	**Mlb**	1.920	2.783	1.224	2.241
Loss after tax attributable to members	**US$M**	(54.1)	(147.6)	(45.9)	(35.2)
Basic and diluted loss per share	**US cents**	(6.5)	(17.6)	(5.5)	(4.2)

		2012 Mar Qtr	**2011 Dec Qtr**	**2011 Sep Qtr**	**2011 Jun Qtr**
Total revenues	**US$M**	67.8	70.4	103.0	60.2
Sales volume	**Mlb**	1.137	1.318	2.002	1.099
(Loss)/profit after tax attributable to members	**US$M**	(17.5)	3.2	(123.4)	(47.7)
Basic and diluted (loss)/profit per share	**US cents**	(2.0)	0.4	(15.3)	(6.3)

Total revenues for the quarters ended March 2013, December 2012 and June 2012 have increased when compared to the equivalent comparative quarter as a result of higher sales volumes of uranium, whereas total revenues for the quarter ended September 2012 are lower than the comparative quarter due to lower sales volumes of uranium.

Uranium sales tend to fluctuate quarter on quarter due to the uneven timing of contractual commitments and resultant delivery scheduling by utility customers.

Loss after tax for the quarter ended March 2013 of US$54.1M is higher than the comparative quarter loss of US$17.5M predominantly as a result of the impairment charge of the KM assets in 2013 of US$44.8M compared to US$Nil in 2012.

Loss after tax for the quarter ended December 2012 of US$147.6M is a turnaround from the profit of US$3.2M in the comparative quarter. The loss is predominantly due to the de-recognition of the US$98.2M KM net DTA and the recognition of the KM impairment discussed earlier.

Loss after tax for the quarter ended September 2012 of US$45.9M is lower than the comparative quarter loss of US$123.4M predominantly as a result of a smaller impairment of the KM assets in 2012 compared to 2011.

Loss after tax for the quarter ended June 2012 of US$35.2M is lower than the comparative quarter loss of US$47.7M predominantly as a result of higher revenues due to higher sales volumes of uranium.

(All figures are in US dollars unless otherwise indicated)

Segment Disclosure (refer to Note 4 in the Financial Statements)

The profit before tax and finance costs for the nine months of US$34.4M in the Namibian segment decreased by US$5.4M (2012: US$39.8M) as higher sales volumes have been offset by lower prices. The Malawian segment reflected a loss before tax and finance costs for the nine months of US$160.9M, which is lower compared to a loss of US$211.9M in 2012 predominantly as a result of a smaller impairment of the KM assets in 2013 compared to 2012. Exploration activities have remained steady from 2012 to 2013. In the Unallocated portion, the Company reflected the remaining Income Statement activities, which for 2013 comprise mainly marketing, corporate, finance and administration costs. This area has decreased from a net loss before finance costs of US$23.7M to a net loss of US$22.9M.

Summary of Quarterly Production Results

		2013 Mar Qtr	2012 Dec Qtr	2012 Sep Qtr	2012 June Qtr
LHM					
Production U_3O_8	**Mlb**	1.230	1.419	1.290	1.322
C1 cost of production	**US$/lb**	29.8	29.6	31.8	32.2
KM					
Production U_3O_8	**Mlb**	0.762	0.772	0.639	0.726
C1 cost of production	**US$/lb**	39.8	43.5	49.0	52.2

C1 cost of production for LHM remained steady in the March 2013 quarter compared to the December 2012 quarter at US$29.8/lb. This represents a decrease of 8% since the June 2012 quarter (US$32.2/lb).

C1 cost of production for KM has fallen quarter on quarter from US$52.2/lb in the June 2012 quarter to US$39.8/lb in the March 2013 quarter, a decrease of 24%.

These results provide evidence that the cost benefits from the cost optimisation programme at KM are being realised.

Further improvements in C1 costs are expected over the next 12 to 18 months as a number of cost saving initiatives at both sites have yet to be fully implemented.

Cost optimisation continues to be a key focus, with specific target areas including mining, acid, reagents, diesel and transport.

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Net loss after tax	**(60.5)**	**(19.4)**	**(284.1)**	**(160.2)**
Foreign currency translation	(2.8)	20.0	18.8	(22.2)
Transfer of realised gains to other income	(0.4)	-	(1.2)	-
Net (loss)/gain on available-for-sale financial assets	(3.5)	(4.5)	1.3	(9.4)
Income tax on items of other comprehensive income	1.1	(0.1)	-	2.4
Total comprehensive loss for the period	**(66.1)**	**(4.0)**	**(265.2)**	**(189.4)**

Three months ended 31 March 2013

Net Loss after Tax is discussed under the Summarised Income Statement section.

Foreign Currency Translation relates to the foreign currency translation reserve movement as a result of the translation of subsidiaries with Australian and Canadian dollar functional currencies into the Company presentation currency of US dollars on an ongoing basis and for the comparative quarter.

Transfer of Realised Gains to Other Income in 2013 of US$0.4M relates to the disposal of an available-for-sale financial asset.

Net Loss on Available-for-Sale Financial Assets in 2013 of US$3.5M primarily relates to the fair value decrement in available-for-sale financial assets attributable to a decrease in the share price.

Income Tax on Items of Other Comprehensive Income in 2013 relates to tax on movements in available-for-sale financial assets.

Nine months ended 31 March 2013

Net Loss after Tax is discussed under the Summarised Income Statement section.

Foreign Currency Translation relates to the foreign currency translation reserve movement as a result of the translation of subsidiaries with Australian and Canadian dollar functional currencies into the Company presentation currency of US dollars on an ongoing basis and for the comparative period.

Transfer of Realised Gains to Other Income in 2013 of US$1.2M relates to the disposal of an available-for-sale financial asset.

Net Gain on Available-for-Sale Financial Assets in 2013 of US$1.3M primarily relates to the fair value increment in available-for-sale financial assets attributable to an increase in the share price.

Income Tax on Items of Other Comprehensive Income in 2013 relates to tax on movements in available-for-sale financial assets.

SUMMARISED STATEMENT OF FINANCIAL POSITION	**As at 31 March 2013 Unaudited US$M**	**As at 30 June 2012 Audited US$M**
Total current assets	347.6	391.6
Total non current assets	1,772.7	1,956.1
Total assets	2,120.3	2,347.7
Total current liabilities	121.2	253.9
Total non current liabilities	1,065.7	899.0
Total liabilities	1,186.9	1,152.9
Net Assets	**933.4**	**1,194.8**

Current Assets have decreased to US$347.6M at 31 March 2013 due to a decrease in inventories and trade and other receivables, which have been partially offset by an increase in cash.

Cash and cash equivalents have increased from US$112.1M to US$112.9M at 31 March 2013 as a result of an increase in receipts from customers and the receipt of off-take agreement funds of US$200.0M from EdF. This has been partially offset by the repayment of US$134M convertible bonds, principal repayments for KM and LHM project finance facilities of US$46.9M, payments for plant and equipment, exploration and evaluation project expenditure as well as finance costs, corporate costs and an increase in inventories.

Trade and other receivables have decreased from US$82.8M to US$48.2M at 31 March 2013 as a result of the timing of US$52.0M of sales in June 2012 and a decrease in VAT receivable predominantly due to large receipts in Namibia.

Inventories have decreased from US$186.5M to US$180.6M at 31 March 2013 due to the KM inventory impairment discussed under the Summarised Income Statement section. This has been partially offset by sales volumes for the nine months of 5.928Mlb U_3O_8, being lower than production volumes for the period of 6.112Mlb U_3O_8.

Non Current Assets have decreased from US$1,956.1M to US$1,772.7M at 31 March 2013 primarily as a result of the de-recognition of the KM net DTA and the decrease in property, plant and equipment, mine development and intangible assets due to the KM impairment discussed under the Summarised Income Statement section. This was partially offset by a US$37.7M increase in the exploration assets, which is mainly due to the foreign exchange movement on the Australian and Canadian dollar denominated exploration assets because of the decrease in value of the US dollar against both currencies. ROM stockpiles increased as planned as part of Stage 3 production expansion in order to meet the future mine plan ore-blend requirements. Additionally, there was an increase in the fair value of other financial assets primarily attributable to the increase in the share price of Deep Yellow Ltd and the foreign exchange movement due to the appreciation of the Australian dollar against the US dollar.

Current Liabilities have decreased from US$253.9M to US$121.2M at 31 March 2013 primarily as a result of the repayment of the US$134M convertible bonds. Additionally there has been a slight decrease in creditors of US$7.3M, which has been partially offset by an increase in employee provisions of US$6.3M due to a transfer from non current employee provisions.

Non Current Liabilities have increased from US$899.0M to US$1,065.7M at 31 March 2013 primarily due to the receipt of the off-take agreement funds of US$200.0M, which has been partially offset by a decrease in the non current portion of interest bearing loans and borrowings of US$33.8M. This is mainly attributable to the repayment of project financing for KM of US$29.9M and LHM of US$17.0M, offset by the accretion relating to convertible bonds and a decrease in employee provisions.

Segment Disclosure (refer to Note 4 in the Financial Statements)

In the Statement of Financial Position as at 31 March 2013, the Group reflected a decrease in assets for the Namibian segment in the period predominantly due to depreciation and amortisation. For the Malawian segment, assets have decreased as a result of the de-recognition of the KM net DTA and the KM impairment. The Exploration segment has increased due to the weakening of the US dollar against the Australian and Canadian dollars which has resulted in an increase in the US dollar value of exploration assets within Australian and Canadian dollar functional currency subsidiaries. There has also been additional capitalised exploration expenditure.

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Nine months ended 31 March	
	2013 US$M	**2012 US$M**
Total equity at the beginning of the financial period	1,194.8	1,355.2
Total comprehensive loss for the period	(265.2)	(189.4)
Recognised value of unlisted employee options and performance share rights	3.8	5.6
Contributions of equity, net of transaction costs	-	63.2
Total Equity at the end of the financial period	**933.4**	**1,234.6**

Total Comprehensive Loss for the Nine months Ended 31 March 2012 is discussed under the Statement of Comprehensive Income section.

Recognised Value of Unlisted Employee Options and Performance Rights in 2013 totals US$3.8M (2012: US$5.6M). During the period 1,717,850 performance share rights vested (2012: 1,082,641). Of these, 175,332 were issued from shares held in trust by Paladin Energy Ltd and 1,542,518 resulted in additional shares being issued. 1,776,300 performance share rights were cancelled (2012: 743,075). No performance rights were granted (2012: Nil). 3,967,669 employee options expired or were forfeited (2012: 728,300) with exercise prices ranging from A$2.54 to A$4.50 per share (2012: A$4.50).

Contributions of Equity in 2012 of $63.2M relates to the share placement of 56,866,232 shares at A$1.20 each. The number of fully paid ordinary shares on issue at 31 March 2013 is 837,187,808, an increase of 1,542,518 during the nine month period. Share options of 249,660 and performance rights of 3,391,732 remain outstanding at 31 March 2013 to the employees and consultants directly engaged in corporate, mine construction, operations, exploration and evaluation work.

SUMMARISED STATEMENT OF CASH FLOWS

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Net cash inflow/(outflow) from operating activities	167.6	(15.6)	216.9	(93.6)
Net cash outflow from investing activities	(9.3)	(5.2)	(34.9)	(64.1)
Net cash (outflow)/inflow from financing activities	(149.8)	(10.0)	(181.5)	135.7
Net increase/(decrease) in cash and cash equivalents	8.5	(30.8)	0.5	(22.0)
Cash and cash equivalents at the beginning of financial period	104.7	126.9	112.1	117.4
Effects of exchange rate changes on cash and cash equivalents	(0.3)	0.8	0.3	1.5
Cash and cash equivalents at the end of the financial period	**112.9**	**96.9**	**112.9**	**96.9**

Three months ended 31 March 2013

Net Cash Inflow from Operating Activities was US$167.6M in 2013 (2012: net cash outflow US$15.6M), primarily due to receipts from customers of US$109.0M (2012: US$102.6M) and receipt of the off-take agreement funds of US$150.0M (2012 Nil). This was partially offset by payments to suppliers and employees of US$86.1M (2012: US$109.2M). The LHM and KM operations generated US$19.9M in cash in 2013 before investment in working capital required to support higher production levels and payments for administration, marketing and site non-production costs of US$8.8M. The remaining expenditure was US$0.3M for exploration (2012: US$0.2M) and net interest paid of US$5.0M (2012: US$9.0M).

Net Cash Outflow from Investing Activities was US$9.3M in 2013 and is due primarily to plant and equipment acquisitions of US$6.1M, predominantly the new tailings facility at LHM, and additionally capitalised exploration expenditure of US$4.1M. Exploration expenditure in foreseeable future periods will be lower. The net cash outflow of US$5.2M in 2012 was due primarily to the Stage 3 expansion at LHM and capitalised exploration expenditure of US$2.2M.

Net Cash Outflow from Financing Activities of US$149.8M in 2013 is mainly attributable to the repayment of the US$134M remaining on the US$325M convertible bonds issued on 11 March 2008, repayment of project financing for KM of US$10.0M and LHM of US$5.7M. The net outflow in 2012 of US$10.0M was attributable to the repayment of project financing for KM.

Net Increase in Cash and Cash Equivalents in 2013 was US$8.5M, as compared to a net decrease in cash over the previous corresponding period in 2012 of US$30.8M. The turnaround in 2013 was predominantly the result of the net off-take agreement proceeds received of US$150M that were partially offset by the repayment of the convertible bonds of US$134M and repayment of debt funding of US$15.7M. Additionally receipts from customers of US$109.0M outweighed payments to suppliers and employees of US$86.1M.

Effect of Exchange Rate Changes on cash balances is a loss of US$0.3M for 2013.

Nine months ended 31 March 2013

Net Cash Inflow from Operating Activities was US$216.9M in 2013 (2012: net cash outflow US$93.6M), primarily due to receipts from customers of US$323.6M (2012: US$234.8M) and receipt of the off-take agreement funds of US$200.0M (2012: Nil). This was partially offset by payments to suppliers and employees of US$278.8M (2012: US$300.6M). The LHM and KM operations generated US$67.4M in cash in 2013 before investment in working capital required to support higher production levels and payments for administration, marketing and site non-production costs of US$28.6M. The remaining expenditure was US$1.2M for exploration (2012: US$1.6M) and net interest paid of US$26.8M (2012: US$26.4M).

Net Cash Outflow from Investing Activities was US$34.9M in 2013 and is due primarily to plant and equipment acquisitions of US$21.6M, predominantly the new tailings facility at LHM, and additionally capitalised exploration expenditure of US$14.3M. Exploration expenditure in foreseeable periods will be lower. The net cash outflow of US$64.1M in 2012 was due primarily to the Stage 3 expansion at LHM and capitalised exploration expenditure of US$10.1M.

Net Cash Outflow from Financing Activities of US$181.5M in 2013 is mainly attributable to the repayment of the US$134M remaining on the US$325M convertible bonds issued on 11 March 2008, repayment of project financing for KM of US$29.9M and LHM of US$17.0M. The net inflow in 2012 of US$135.7M was attributable to the US$139.1M net proceeds from the drawdown of LHM Stage 3 project finance facilities, which has been partially offset by the full repayment of the outstanding balance of US$24.8M of the LHM Stage 1 project finance facility, US$11.3M repayment of the LHM Stage 3 project finance facility and US$29.9M repayment from the KM project finance facility, as well as net proceeds received from the 2011 share placement of US$62.6M

Net Increase in Cash and Cash Equivalents in 2013 was US$0.5M, as compared to a net decrease in cash over the previous corresponding period in 2012 of US$22.0M. The turnaround in 2013 was predominantly the result of the net off-take agreement proceeds received of US$200M that were partially offset by the repayment of the convertible bonds of US$134M and repayment of debt funding of US$46.9M. Higher sales receipts of US$323.6M outweighed payments to suppliers and employees of US$278.8M. Additionally lower spending on plant and equipment due to the completion of the eight-year long capital investment phase contributed to the positive cash flow.

Effect of Exchange Rate Changes on cash balances is a gain of US$0.3M for 2013.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal source of liquidity as at 31 March 2013 was cash of US$112.9M (30 June 2012: US$112.1M). Any cash available to be invested is held with Australian banks with a minimum AA- Standard & Poor's credit rating over a range of maturities. Of this, US$100.6M is held in US dollars.

The Group's principal sources of cash for the nine months ended 31 March 2013 were uranium sales receipts of US$323.6M and proceeds from the off-take agreement with EdF of US$200.0M.

The amount outstanding at 31 March 2013 on the LHM project finance facilities was US$101.5M and for the KM project finance facility, US$68.1M.

The Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the nine months ended 31 March 2013, the Group incurred net losses after tax attributable to the members of US$247.7M (2012: US$137.7M) and had net cash inflow of US$0.5M (2012: outflow US$22.0M). At balance date the Group had a net working capital surplus of US$226.4M (30 June 2012: US$137.7M) including cash on hand of US$112.9M (30 June 2012: US$112.1M). Included within this cash on hand is US$25.6M (30 June 2012: US$26.2M) which is restricted for use in respect of the LHM and KM project finance facilities.

Repayment obligations, during the next 12 months, in respect of interest bearing loans and borrowings are summarised as follows:

- Secured bank loans principal repayments of US$53.8M for LHM and KM project financing; and
- Interest payments of US$32.2M for LHM and KM project financing and convertible bonds.

In addition, in arriving at its position in relation to going concern, the Directors have given consideration to the following:

- The Group has been in discussions with a select group of nuclear industry parties on strategic initiatives;
- The Group has a history of refinancing some of its debt; and
- The Group has a history of successful equity capital raisings.

The following is a summary of the Group's outstanding commitments as at 31 March 2013:

	Total	***Less than 1 yr***	***1 to 5yrs***	***5yrs+ or unknown***
Payments due by period	***US$M***	***US$M***	***US$M***	***US$M***
Tenements	38.5	4.4	8.0	26.1
Operating leases	4.4	1.5	2.9	-
Other	42.1	39.9	2.2	-
Manyingee acquisition costs	0.8	-	-	0.8
Total commitments	85.8	45.8	13.1	26.9

(All figures are in US dollars unless otherwise indicated)

In relation to the Manyingee Uranium Project, the acquisition terms provide for a payment of A$0.75M (US$0.78M) by the Company to the vendors when all project development approvals are obtained.

In addition to the outstanding commitments above, the Group acquired a call option on 19 June 1998 in relation to the purchase of the Oobagooma Uranium Project and, in turn, granted a put option to the original holder of the project. Both the call and put options have an exercise price of A$0.75M (US$0.78M) and are subject to the Western Australian Department of Minerals & Energy granting tenements comprising two exploration licence applications. The A$0.75M (US$0.78M) is payable by the Group within 10 business days of the later of the grant of the tenements or the exercise of either the call or put option. The options will expire three months after the date the tenements are granted.

The Group has no other material off balance sheet arrangements.

OUTSTANDING SHARE INFORMATION

As at 14 May 2013 the Company had 837,187,808 fully paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary outstanding shares and those issuable under the Company Executive Share Option Plan, the Company Employee Performance Share Rights Plan and in relation to the convertible bonds:

As at 14 May 2013	Number
Outstanding shares	837,187,808
Issuable under Employee Performance Share Rights Plan	3,376,132
Issuable in relation to the US$300 million convertible bonds	53,495,007
Issuable in relation to the US$274 million convertible bonds	125,114,155
Total	**1,019,173,102**

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the following: carrying value or impairment of inventories, financial investments, property, plant and equipment, intangibles, mineral properties and deferred tax assets; carrying value of rehabilitation, mine closure, sales contracts provisions and deferred tax liabilities; and the calculation of share-based payments.

FINANCIAL INSTRUMENTS

At 31 March 2013, the Group has exposure to interest rate risk, which is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate project finance debt or opportunity losses that may arise on fixed rate convertible bonds in a falling interest rate environment. Interest rate risk on cash and short-term deposits is not considered to be a material risk due to the historically low US dollar interest rates of these financial instruments.

The Group has no significant monetary foreign currency assets and liabilities apart from Namibian Dollar and Malawi Kwacha cash, receivables, payables, deferred tax liabilities and provisions and Australian dollar cash, payables and deferred tax liabilities and Canadian payables.

The Group currently does not engage in any hedging or derivative transactions to manage uranium price movements, interest rate or foreign currency risks.

The Group's credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. The Group trades only with recognised, credit worthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not material.

The Group's treasury function is responsible for the Group's capital management, including management of the long-term debt and cash as part of the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. To ensure sufficient funding for operational expenditure and growth activities, a range of assumptions are modelled so as to provide the flexibility in determining the Group's optimal future capital structure.

OTHER RISKS AND UNCERTAINTIES

Risk Factors

The Company is subject to other risks that are outlined in the Annual Information Form 51-102F2 which is available on SEDAR at sedar.com

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended 31 March 2013 no payments were made to Director related entities. Directors of the Company receive compensation based on their personal contracts.

DISCLOSURE CONTROLS

The Company has applied its Disclosure Control Policy to the preparation of the Consolidated Financial Report for the nine months ended 31 March 2013 and associated Management Discussion and Analysis. An evaluation of the Company's disclosure controls and procedures used has been undertaken and concluded that the disclosure controls and procedures were effective.

INTERNAL CONTROLS

The Company has designed appropriate internal controls over financial reporting (ICFR) and ensured that these were in place for the nine months ended 31 March 2013. An evaluation of the design of ICFR has concluded that it is adequate to prevent a material misstatement of the Company's Consolidated Financial Report as at 31 March 2013.

During the nine months the Company continued to have an internal audit function externally contracted to Deloitte Touche Tohmatsu. Internal audit reports and follow-up reviews were completed during the nine months and the Company continues to address their recommendations. The resultant changes to the internal controls over financial reporting have improved and will continue to improve the Company's framework of internal control in relation to financial reporting.

SUBSEQUENT EVENTS

Since the end of the nine month period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT
EXPRESSED IN US DOLLARS

	Notes	Three months ended 31 March 2013 US$M	Three months ended 31 March 2012 US$M	Nine months ended 31 March 2013 US$M	Nine months ended 31 March 2012 US$M
Revenue	**5(a)**	106.4	67.8	301.9	241.2
Cost of sales	**5(b)**	(86.7)	(52.6)	(259.3)	(199.0)
Impairment – inventory		(3.3)	(11.9)	(13.7)	(11.9)
Gross Profit		16.4	3.3	28.9	30.3
Other income	**5(c)**	1.1	-	1.6	2.4
Exploration and evaluation expenses	**13**	(0.3)	(0.2)	(1.2)	(1.6)
Administration, marketing and non-production costs	**5(d)**	(11.8)	(11.1)	(34.7)	(36.6)
Other expenses	**5(e)**	(45.1)	(3.4)	(144.6)	(190.9)
Loss before interest and tax		(39.7)	(11.4)	(150.0)	(196.4)
Finance costs	**5(f)**	(16.0)	(10.7)	(49.6)	(38.6)
Net loss before income tax		**(55.7)**	**(22.1)**	**(199.6)**	**(235.0)**
Income tax (expense)/benefit	**6**	(4.8)	2.7	(84.5)	74.8
Net loss after tax		**(60.5)**	**(19.4)**	**(284.1)**	**(160.2)**
Attributable to:					
Non-controlling interests		(6.4)	(1.9)	(36.4)	(22.5)
Members of the parent		(54.1)	(17.5)	(247.7)	(137.7)
		(60.5)	(19.4)	(284.1)	(160.2)
Loss per share (US cents)					
Loss after tax from operations attributable to ordinary equity holders of the Company - basic and diluted (US cents)		(6.5)	(2.0)	(29.6)	(16.9)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN US DOLLARS

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Net loss after tax	**(60.5)**	**(19.4)**	**(284.1)**	**(160.2)**
Other comprehensive income				
Items that may be reclassified subsequently to (loss)/profit				
Foreign currency translation	(2.8)	20.0	18.8	(22.2)
Transfer realised gains to other income	(0.4)	-	(1.2)	-
Net (loss)/gain on available-for-sale financial assets	(3.5)	(4.5)	1.3	(9.4)
Income tax on items of other comprehensive income	1.1	(0.1)	-	2.4
Other comprehensive (loss)/income for the period, net of tax	**(5.6)**	**15.4**	**18.9**	**(29.2)**
Total comprehensive loss for the period	**(66.1)**	**(4.0)**	**(265.2)**	**(189.4)**
Total comprehensive loss attributable to:				
Non-controlling interests	(6.1)	(0.2)	(34.5)	(24.1)
Members of the parent	(60.0)	(3.8)	(230.7)	(165.3)
	(66.1)	(4.0)	(265.2)	(189.4)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN US DOLLARS

	Notes	31 March 2013 US$M	30 June 2012 US$M
ASSETS			
Current assets			
Cash and cash equivalents	**7**	112.9	112.1
Trade and other receivables	**8**	48.2	82.8
Prepayments		5.9	10.2
Inventories	**9**	180.6	186.5
TOTAL CURRENT ASSETS		347.6	391.6
Non current assets			
Trade and other receivables	**8**	0.1	0.1
Inventories	**9**	137.6	114.2
Other financial assets	**10**	18.2	15.5
Property, plant and equipment	**11**	357.0	491.7
Mine development	**12**	64.3	88.3
Exploration and evaluation expenditure	**13**	1,180.9	1,143.2
Deferred tax asset		-	85.0
Intangible assets	**14**	14.6	18.1
TOTAL NON CURRENT ASSETS		1,772.7	1,956.1
TOTAL ASSETS		2,120.3	2,347.7
LIABILITIES			
Current liabilities			
Trade and other payables		59.8	67.1
Interest bearing loans and borrowings	**15**	51.7	183.4
Provisions	**16**	9.7	3.4
TOTAL CURRENT LIABILITIES		121.2	253.9
Non current liabilities			
Interest bearing loans and borrowings	**15**	621.3	655.1
Deferred tax liabilities		207.1	203.5
Provisions	**16**	37.3	40.4
Unearned revenue	**17**	200.0	-
TOTAL NON CURRENT LIABILITIES		1,065.7	899.0
TOTAL LIABILITIES		1,186.9	1,152.9
NET ASSETS		**933.4**	**1,194.8**
Equity			
Contributed equity	**18(a)**	1,845.7	1,839.2
Reserves		192.1	177.8
Accumulated losses		(1,122.3)	(874.6)
Parent interests		915.5	1,142.4
Non-controlling interests		17.9	52.4
TOTAL EQUITY		**933.4**	**1,194.8**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN US DOLLARS

	Contributed Equity US$M	Available for Sale Reserve US$M	Share-Based Payments Reserve US$M	Convertible Bond Non-Distrib-utable Reserve US$M	Foreign Exchange Revaluation Reserve US$M	Acquisition Reserve US$M	Option Application Reserve US$M	Consoli-dation Reserve US$M	Accumu-lated Losses US$M	Owners of the Parent US$M	Non-Controlling Interests US$M	Total US$M
Balance at 1 July 2011	**1,768.1**	**11.7**	**49.5**	**60.4**	**68.8**	**14.9**	**0.1**	**(0.2)**	**(701.8)**	**1,271.5**	**83.7**	**1,355.2**
Loss for the period	-	-	-	-	-	-	-	-	(137.7)	(137.7)	(22.5)	(160.2)
Other comprehensive income	-	(7.0)	-	-	(20.6)	-	-	-	-	(27.6)	(1.6)	(29.2)
Total comprehensive loss for the nine months, net of tax	-	(7.0)	-	-	(20.6)	-	-	-	(137.7)	(165.3)	(24.1)	(189.4)
Contributions of equity, net of transaction costs	63.2	-	-	-	-	-	-	-	-	63.2	-	63.2
Share-based payment	-	-	5.6	-	-	-	-	-	-	5.6	-	5.6
Vesting of performance rights	4.6	-	(4.6)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2012	**1,835.9**	**4.7**	**50.5**	**60.4**	**48.2**	**14.9**	**0.1**	**(0.2)**	**(839.5)**	**1,175.0**	**59.6**	**1,234.6**
Balance at 1 July 2012	**1,839.2**	**(2.8)**	**52.2**	**85.5**	**28.1**	**14.9**	**0.1**	**(0.2)**	**(874.6)**	**1,142.4**	**52.4**	**1,194.8**
Loss for the period	-	-	-	-	-	-	-	-	(247.7)	(247.7)	(36.4)	(284.1)
Other comprehensive income	-	0.1	-	-	16.9	-	-	-	-	17.0	1.9	18.9
Total comprehensive income/(loss) for the nine months, net of tax	-	0.1	-	-	16.9	-	-	-	(247.7)	(230.7)	(34.5)	(265.2)
Share-based payment	-	-	3.8	-	-	-	-	-	-	3.8	-	3.8
Vesting of performance rights	6.5	-	(6.5)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2013	**1,845.7**	**(2.7)**	**49.5**	**85.5**	**45.0**	**14.9**	**0.1**	**(0.2)**	**(1,122.3)**	**915.5**	**17.9**	**933.4**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN US DOLLARS

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	2012 US$M	2013 US$M	2012 US$M
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	109.0	102.6	323.6	234.8
Proceeds from off-take agreement	150.0	-	200.0	-
Payments to suppliers and employees	(86.1)	(109.2)	(278.8)	(300.6)
Exploration and evaluation expenditure	(0.3)	(0.2)	(1.2)	(1.6)
Other income	-	0.2	0.1	0.2
Interest received	0.3	0.3	0.8	1.0
Interest paid	(5.3)	(9.3)	(27.6)	(27.4)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	167.6	(15.6)	216.9	(93.6)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(6.1)	(3.0)	(21.6)	(54.0)
Proceeds from sale of property, plant and equipment	0.4	-	0.4	-
Proceeds from sale of investments	0.5	-	1.9	-
Payments for available-for-sale investments	-	-	(1.3)	-
Capitalised exploration expenditure	(4.1)	(2.2)	(14.3)	(10.1)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(9.3)	(5.2)	(34.9)	(64.1)
CASH FLOWS FROM FINANCING ACTIVITIES				
Project finance facility establishment costs	(0.1)	-	(0.2)	(1.9)
Convertible bond finance costs	-	-	(0.4)	-
Repayment of borrowings	(15.7)	(10.0)	(46.9)	(66.0)
Proceeds from borrowings	-	-	-	141.0
Repayment of convertible bonds	(134.0)	-	(134.0)	-
Proceeds from share placement	-	-	-	64.7
Equity fundraising costs	-	-	-	(2.1)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	(149.8)	(10.0)	(181.5)	135.7
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8.5	(30.8)	0.5	(22.0)
Cash and cash equivalents at the beginning of the financial period	104.7	126.9	112.1	117.4
Effects of exchange rate changes on cash and cash equivalents	(0.3)	0.8	0.3	1.5
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	112.9	96.9	112.9	96.9

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1. CORPORATE INFORMATION

The Interim Financial Report of the Group for the nine months ended 31 March 2013 was authorised for issue in accordance with a resolution of the Directors on 13 May 2013.

Paladin Energy Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the ASX with additional listings on the Toronto Stock Exchange in Canada; as well as the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa.

The nature of the operations and principal activities of the Group are described in the Management Discussion and Analysis on pages 3 to 21.

NOTE 2. GOING CONCERN

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the nine months ended 31 March 2013, the Group incurred net losses after tax attributable to the members of US$247.7M (2012: US$137.7M) and had net cash inflow of US$0.5M (2012: outflow US$22.0M). At balance date the Group had a net working capital surplus of US$226.4M (30 June 2012: US$137.7M) including cash on hand of US$112.9M (30 June 2012: US$112.1M). Included within this cash on hand is US$25.6M (30 June 2012: US$26.2M) which is restricted for use in respect of the LHM and KM project finance facilities.

Repayment obligations, during the next 12 months, in respect of interest bearing loans and borrowings are summarised as follows:

- Secured bank loans principal repayments of US$53.8M for LHM and KM project financing; and
- Interest payments of US$32.2M for LHM and KM project financing and convertible bonds.

In addition, in arriving at its position in relation to going concern, the Directors have given consideration to the following:

- the Group has been in discussions with a select group of nuclear industry parties in strategic initiatives;
- the Group has a history of refinancing some of its debt; and
- the Group has a history of successful equity capital raisings.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the nine months ended 31 March 2013 has been prepared in accordance with Australian Accounting Standards Board ("AASB") 134 *Interim Financial Reporting,* International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Act.

In addition to these requirements further information has been included in the Consolidated Financial Statements for the nine months ended 31 March 2013 in order to comply with applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2012 and any public announcements made by Paladin during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The financial report is presented in United States dollars and all values are rounded to the nearest hundred thousand dollars (US$100,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission ("ASIC") Class Order 98/100. The Company is an entity to which the class orders applies.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

New and amended accounting standards and interpretations

From 1 July 2012 the Company has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2012.

The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the Company.

The Company has not elected to early adopt any new accounting standards and interpretations.

NOTE 4. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments to be Exploration, Namibia and Malawi, on the basis of the nature of the activity and geographical location and different regulatory environments. The main segment activity in Namibia and Malawi is the production and sale of uranium from the mines located in these geographic regions. The Exploration segment is focused on developing exploration and evaluation projects in Australia, Niger and Canada. The Unallocated portion covers the Group's sales and marketing, treasury, corporate and administration.

Discrete financial information about each of these operating segments is reported to the Group's executive management team (chief operating decision makers) on at least a monthly basis.

The accounting policies used by the Group in reporting segments internally are the same as those used in the prior period.

Inter-entity sales are priced with reference to the spot rate.

Corporate charges comprise non-segmental expenses such as corporate office expenses. A proportion of the corporate charges are allocated to Namibia and Malawi on the basis of timesheet allocations with the balance remaining in Unallocated.

The following items are not allocated to segments as they are not considered part of the core operations of any segment:

- Interest revenue
- Non project finance interest and borrowing expense
- Unallocated corporate and labour costs

The Group's customers are major utilities and other entities located mainly in North America, Australia, Asia and Europe. These revenues are attributed the geographic location of the mines being the reporting segments Namibia and Malawi.

NOTE 4. SEGMENT INFORMATION (continued)

The following tables present revenue, expenditure and asset information regarding operating segments for the nine months ended 31 March 2013 and 31 March 2012.

Nine months ended 31 March 2013	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	177.2	123.8	-	301.0
Other revenue	-	-	-	0.9	0.9
Inter segment sales	-	9.9	4.9	-	14.8
Total segment revenue	-	187.1	128.7	0.9	316.7
Elimination of inter segment sales	-	(9.9)	(4.9)	-	(14.8)
Total consolidated revenue	-	177.2	123.8	0.9	301.9
Cost of goods sold	-	(141.0)	(118.3)	-	(259.3)
Impairment of inventory	-	-	(13.7)	-	(13.7)
Gross Profit/(Loss)	-	36.2	(8.2)	0.9	28.9
Other expenses	(0.6)	(1.8)	(11.9)	(23.8)	(38.1)
Impairment of asset	-	-	(140.8)	-	(140.8)
Segment (loss)/profit before income tax and finance costs	(0.6)	34.4	(160.9)	(22.9)	(150.0)
Finance costs	-	(5.6)	(4.9)	(39.1)	(49.6)
(Loss)/profit before income tax	(0.6)	28.8	(165.8)	(62.0)	(199.6)
Income tax benefit/(expense)	0.2	0.6	(85.0)	(0.3)	(84.5)
(Loss)/profit after income tax	(0.4)	29.4	(250.8)	(62.3)	(284.1)
At 31 March 2013					
Segment assets/total assets	1,185.9	619.7	230.3	84.4	2,120.3

Nine months ended 31 March 2012	**Exploration US$M**	**Namibia US$M**	**Malawi US$M**	**Unallocated US$M**	**Consolidated US$M**
Sales to external customers	-	162.8	77.2	-	240.0
Other revenue	-	-	-	1.2	1.2
Inter segment sales	-	-	-	-	-
Total segment revenue	-	162.8	77.2	1.2	241.2
Elimination of inter segment sales	-	-	-	-	-
Total consolidated revenue	-	162.8	77.2	1.2	241.2
Cost of goods sold	-	(118.6)	(80.4)	-	(199.0)
Impairment of inventory	-	-	(11.9)	-	(11.9)
Gross Profit/(Loss)	-	44.2	(15.1)	1.2	30.3
Other expenses	(0.6)	(4.4)	(17.9)	(24.9)	(47.8)
Impairment of asset	-	-	(178.9)	-	(178.9)
Segment (loss)/profit before income tax and finance costs	(0.6)	39.8	(211.9)	(23.7)	(196.4)
Finance costs	-	(5.6)	(5.6)	(27.4)	(38.6)
(Loss)/profit before income tax	(0.6)	34.2	(217.5)	(51.1)	(235.0)
Income tax benefit	0.2	0.7	63.5	10.4	74.8
(Loss)/profit after income tax	(0.4)	34.9	(154.0)	(40.7)	(160.2)
At 30 June 2012					
Segment assets/total assets	1,148.0	628.7	465.1	105.9	2,347.7

NOTE 5. REVENUE AND EXPENSES

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
(a) Revenue				
Sale of uranium	106.1	67.3	301.0	240.0
Interest income from non-related parties	0.3	0.4	0.8	1.1
Other revenue	-	0.1	0.1	0.1
Total	**106.4**	**67.8**	**301.9**	**241.2**
(b) Cost of Sales				
Costs before depreciation and amortisation	(77.8)	(44.0)	(230.2)	(168.0)
Depreciation and amortisation	(14.1)	(8.3)	(43.1)	(32.9)
Impairment loss reversed on sale of inventory	9.7	2.5	29.1	13.7
Product distribution costs	(3.4)	(1.9)	(9.6)	(7.4)
Royalties	(1.1)	(0.9)	(5.5)	(4.4)
Total	**(86.7)**	**(52.6)**	**(259.3)**	**(199.0)**
(c) Other income				
Gain on disposal of investment	0.4	-	1.6	-
Foreign exchange gain (net)	0.7	-	-	2.4
Total	**1.1**	**-**	**1.6**	**2.4**
(d) Administration, marketing and non-production costs				
Corporate and marketing	(5.9)	(4.8)	(17.2)	(15.7)
Restructure costs	-	-	(0.4)	-
Mine sites (LHM and KM)	(2.2)	(2.0)	(6.2)	(7.0)
Canadian operations	0.5	(0.9)	(0.3)	(1.9)
Non-cash – Share based payments	(0.7)	(1.8)	(3.3)	(5.2)
Non-cash – Depreciation	(0.5)	(0.5)	(1.5)	(1.6)
Royalties	(2.3)	(0.7)	(3.5)	(1.7)
LHM Stage 4 expansion evaluation project	(0.5)	(0.4)	(1.1)	(3.5)
KM research and development	(0.2)	-	(1.2)	-
Total	**(11.8)**	**(11.1)**	**(34.7)**	**(36.6)**

NOTE 5. REVENUE AND EXPENSES (continued)

	Three months ended 31 March		Nine months ended 31 March	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
(e) Other expenses				
Impairment of asset [1]	(44.8)	-	(140.8)	(178.9)
Slope remediation [2]	-	(1.2)	(0.2)	(2.0)
KM fixed costs during plant shutdown	(0.3)	-	(2.6)	(9.2)
KM medical expenses [3]	-	(0.8)	-	(0.8)
Foreign exchange loss (net)	-	(1.4)	(1.0)	-
Total	**(45.1)**	**(3.4)**	**(144.6)**	**(190.9)**

[1] The continued deterioration of the uranium price has resulted in a reduction of the carrying value of fixed assets to the recoverable amount of US$77.6M of the KM assets from US$218.4M resulting in an impairment charge of US$140.8M (2012: US$178.9M).

[2] Slope remediation expenditure expenses pending the outcome of the insurance claim currently with the underwriter's loss adjuster.

[3] KM medical expenditure previously capitalised pending the outcome of an insurance claim currently with the underwriter.

	Three months ended 31 March 2013 US$M	Three months ended 31 March 2012 US$M	Nine months ended 31 March 2013 US$M	Nine months ended 31 March 2012 US$M
(f) Finance costs				
Interest expense	(10.2)	(6.4)	(32.4)	(24.8)
Accretion relating to convertible bonds (non-cash)	(4.6)	(3.0)	(13.5)	(8.8)
Mine closure provision discount interest expense	(0.5)	(0.3)	(1.6)	(1.2)
Facility costs	(0.7)	(1.0)	(2.1)	(3.8)
Total	**(16.0)**	**(10.7)**	**(49.6)**	**(38.6)**

NOTE 6. INCOME TAX

Reconciliation of accounting loss to income tax benefit/expense

	Three months ended 31 March		**Nine months ended 31 March**	
	2013 US$M	**2012 US$M**	**2013 US$M**	**2012 US$M**
Loss before income tax expense	(55.7)	(22.1)	(199.6)	(235.0)
Tax at the Australian rate of 30% (2012 – 30%)	(16.7)	(6.6)	(59.9)	(70.5)
Tax effect of amounts which are (deductible)/ non-deductible taxable in calculating taxable income:				
Share-based payments	0.3	0.2	1.0	1.3
Permanent foreign exchange functional currency differences	(39.7)	6.3	(64.7)	(26.2)
Other expenditure (deductible)/not allowable	0.1	(0.3)	(0.5)	0.5
	(56.0)	(0.4)	(124.1)	(94.9)
Difference in overseas tax rates	0.4	0.5	4.6	7.1
Under/(over) prior year adjustment	-	-	(5.8)	(7.1)
Losses not recognised	3.6	4.4	16.0	15.3
Foreign exchange translation differences	49.4	(5.0)	83.3	17.2
Convertible notes	1.4	-	3.6	-
Losses previously not recognised now recognised	6.1	(0.7)	11.3	(11.8)
Tax expense arising from the reversal of previously recognised tax losses	-	-	98.2	-
Other	(0.1)	(1.5)	(2.6)	(0.6)
Income tax expense/(benefit) reported in Income Statement	**4.8**	**(2.7)**	**84.5**	**(74.8)**

NOTE 7. CASH AND CASH EQUIVALENTS

	31 March 2013 US$M	30 June 2012 US$M
Cash at bank and on hand	20.2	21.8
Short-term bank deposits	92.7	90.3
Total cash and cash equivalents	**112.9**	**112.1**

Total cash and cash equivalents includes US$25.6M (30 June 2012: US$26.2M) restricted for use in respect of the LHM and KM project finance facilities (refer to Note 14).

NOTE 8. TRADE AND OTHER RECEIVABLES

	31 March 2013 US$M	30 June 2012 US$M
Current		
Trade receivables	29.3	52.0
GST and VAT	14.0	22.9
Sundry debtors	4.9	7.9
Total current receivables	**48.2**	**82.8**
Non Current		
Sundry debtors	0.1	0.1
Total non current receivables	**0.1**	**0.1**

NOTE 9. INVENTORIES

	31 March 2013 US$M	30 June 2012 US$M
Current		
Stores and consumables (at cost)	36.4	39.4
Ore stockpiles (at cost)	2.2	0.4
Ore stockpiles (at net realisable value)	5.6	4.2
Work-in-progress (at cost)	2.5	2.2
Work-in-progress (at net realisable value)	12.7	11.3
Finished goods (at cost)	80.3	72.2
Finished goods (at net realisable value)	40.9	56.8
Total current inventories at the lower of cost and net realisable value	**180.6**	**186.5**
Non Current		
Ore stockpiles (at cost)	134.3	112.3
Ore stockpiles (at net realisable value)	3.3	1.9
Total non current inventories at the lower of cost and net realisable value	**137.6**	**114.2**

Stockpiles at LHM and KM that are classified as non current are unlikely to be processed within 12 months of the balance date.

NOTE 10. OTHER FINANCIAL ASSETS

	31 March 2013 US$M	30 June 2012 US$M
Available-for-sale financial assets	**18.2**	**15.5**

Included in the Group's available-for-sale financial assets is an investment in Deep Yellow Ltd (DYL), a uranium explorer listed on the ASX. In July 2012 the Group increased its interest from 19.9% to 23.4% following a non-renounceable entitlement issue by DYL which was partially underwritten by Paladin. For the quarter ended 30 September 2012, DYL was categorised as an investment in associate. During the quarter ended 31 December 2012 DYL issued shares which reduced the Group's interest to 19.1%. As a consequence DYL ceased to be categorised as an investment in associate. The net accounting impact of this transaction was not material to the Group. On 14 March 2013 the remaining sub underwriting loan was converted into 7,201,993 shares which increased the Group's interest to 19.5%.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

	31 March 2013 US$M	30 June 2012 US$M
Plant and equipment (at cost) (1)	697.1	700.6
Accumulated depreciation	(101.5)	(91.6)
Impairment	(249.8)	(131.5)
Total plant and equipment	345.8	477.5
Land and buildings (at cost) (2)	11.9	11.4
Accumulated depreciation	(2.2)	(1.8)
Total land and buildings	9.7	9.6
Construction work in progress (at cost) (3)	2.1	5.3
Impairment	(0.6)	(0.7)
Total construction work in progress	1.5	4.6
Total property, plant and equipment	**357.0**	**491.7**

(1) Includes additions of US$7.2M (30 June 2012: US$54.6M)
(2) Includes additions of US$Nil (30 June 2012: US$0.1M)
(3) Includes additions of US$2.1M (30 June 2012: US$5.3M)

NOTE 12. MINE DEVELOPMENT

	31 March 2013 US$M	30 June 2012 US$M
Mine development (at cost) (1)	180.2	167.7
Accumulated depreciation	(54.0)	(37.5)
Impairment	(61.9)	(41.9)
Total mine development	**64.3**	**88.3**

(1) Includes additions of US$11.4M (30 June 2012: US$11.1M)

NOTE 13. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the nine months ended 31 March 2013:

Areas of interest	Valhalla /Skal [1]	Isa North	Fusion	Angela/ Pamela	Bigrlyi	Niger	KM	Canada	Other Uranium Projects	Total
	US$M	US$M	US$M	US$M	US$M	US$M	US$M	US$M	US$M	US$M
Balance 30 June 2012	**639.4**	**152.5**	**11.9**	**7.4**	**30.7**	**36.8**	**-**	**259.7**	**4.8**	**1,143.2**
Project exploration and evaluation expenditure										
Labour	0.4	0.4	0.1	0.1	0.1	0.2	0.2	3.2	1.1	5.8
Outside services	0.1	-	-	-	0.1	-	0.2	1.9	2.2	4.5
Other expenses	0.4	0.3	-	0.1	0.1	0.4	0.2	3.2	1.0	5.7
Total expenditure	0.9	0.7	0.1	0.2	0.3	0.6	0.6	8.3	4.3	16.0
Expenditure expensed	-	-	-	(0.1)	-	-	(0.6)	-	(0.5)	(1.2)
Expenditure capitalised	0.9	0.7	0.1	0.1	0.3	0.6	-	8.3	3.8	14.8
Foreign exchange differences	15.7	4.1	0.3	0.2	0.6	-	-	1.9	0.1	22.9
Balance 31 March 2013	**656.0**	**157.3**	**12.3**	**7.7**	**31.6**	**37.4**	**-**	**269.9**	**8.7**	**1,180.9**

[1] Summit has a 50% interest in the Valhalla/Skal Projects with the other 50% interest held directly by the Paladin Group. As a consequence of the takeover of the Summit Group, the above table now reflects 100% of the Valhalla/Skal Projects with the non-controlling interest reflected on the face of the Consolidated Statement of Financial Position.

NOTE 14. INTANGIBLE ASSETS

	31 March 2013 US$M	30 June 2012 US$M
Intangible assets (at cost)	27.8	27.8
Accumulated amortisation	(6.7)	(5.9)
Impairment	(6.5)	(3.8)
Net carrying amount of non current intangible assets	**14.6**	**18.1**

NOTE 15. INTEREST BEARING LOANS AND BORROWINGS

	Maturity		
Current			
Secured bank loans		51.7	51.0
Unsecured convertible bonds (1)	March 2013	-	132.4
Total current interest bearing loans and borrowings		**51.7**	**183.4**
Non Current			
Unsecured convertible bonds (2)	November 2015	273.7	267.0
Unsecured convertible bonds (3)	April 2017	234.6	229.0
Secured bank loan	amortised to 2015	36.6	65.3
Secured bank loan	amortised to 2017	76.4	93.8
Total non current interest bearing loans and borrowings		**621.3**	**655.1**

The above figures include transaction costs which offset the balance in accordance with the requirements of Accounting Standards.

Unsecured convertible bonds

(1) On 11 March 2008, the Company issued US$325M in convertible bonds with an underlying coupon rate of 5.0% (underlying effective interest rate of 7.13%), maturity 11 March 2013 and a conversion price of US$6.52 for Company shares. On 29 May 2012, pursuant to its tender offer the Company repurchased and cancelled US$191M bonds. At 11 March 2013 the remaining outstanding amount of US$134M was repaid.

(2) On the 5 November 2010, the Company issued US$300M in convertible bonds with an underlying coupon rate of 3.625%, (underlying effective interest rate of 7.47%) maturing on 5 November 2015 with a conversion price of US$5.61 for Company shares.

(3) On the 30 April 2012, the Company issued US$274M in convertible bonds with an underlying coupon rate of 6.0%, (underlying effective interest rate of 10.68%) maturing on 30 April 2017 with a conversion price of US$2.19 for Company shares.

In disclosing the convertible bonds in the Consolidated Financial Statements, the Company has accounted for them in accordance with Australian Accounting Standards. Under these standards the convertible bonds consist of both a liability (underlying debt) and equity component (conversion rights into Company shares).

NOTE 15. INTEREST BEARING LOANS AND BORROWINGS (continued)

Secured bank loans

Kayelekera Mine, Malawi - US$167M Project Finance Facility
On 30 March 2009, the Group entered into a project financing facility of US$167M for the construction of KM. The project finance consists of a six year project finance facility of US$145M, a standby cost overrun facility of US$12M and a performance bond facility of US$10M. The facilities were provided by Société Générale Corporate and Investment Banking (as inter-creditor agent and commercial lender), Nedbank Capital a division of Nedbank Limited (ECIC lender) and Standard Bank Limited (as ECIC facility agent and lender). The facilities are secured over the assets of Paladin (Africa) Ltd. The completion test was satisfied on 25 March 2013. Post the completion test date, the commercial bank tranche bears interest at the London Interbank Offered Rate ("LIBOR") plus 2.5%. The ECIC tranche bears interest at LIBOR plus 2.5% whilst the cost overrun facility bears interest at LIBOR plus 3.5%. The facilities are repayable on a four monthly basis over the term of the loan. The Company has provided a guarantee as part of the facilities.

At 31 March 2013 US$68.1M (30 June 2012: US$98.0M) was outstanding under the KM project finance facility. US$29.9M was repaid during the period.

Langer Heinrich Mine, Namibia - US$141M Stage 3 Project Finance Facility
On 26 August 2011 the Group entered into a project financing facility of US$141M for the construction of Stage 3 of LHM. The facility consists of a six-year US$135M project financing facility and a US$6M cost overrun facility. The facility was provided by Société Générale (as Agent), Nedbank Capital, Standard Bank Plc, Barclays Capital (the investment banking division of Barclays Bank PLC) and Rand Merchant Bank, a division of FirstRand Bank Limited. The facility was fully drawn down during the December 2011 quarter. The completion test was satisfied on 25 January 2013. Post the completion test date, the facility bears interest at the LIBOR plus 3.25%. The facilities are repayable on a six monthly basis over the term of the loan. The facilities are secured with fixed and floating charges over the assets of Langer Heinrich Uranium (Pty) Ltd and its immediate holding companies.

At 31 March 2013 US$101.5M (30 June 2012: US$118.5M) was outstanding under the LHM Stage 3 project finance facility. US$17.0M was repaid during the period.

Deferred borrowing costs relating to the establishment of the facilities have been set off against the balance of the interest bearing loans and borrowings.

NOTE 16. PROVISIONS

	31 March 2013 US$M	30 June 2012 US$M
Current		
Employee benefits	9.7	3.4
Total current provisions	**9.7**	**3.4**
Non Current		
Employee benefits	3.2	6.5
Rehabilitation provision	32.2	31.9
Demobilisation provision	1.9	2.0
Total non current provisions	**37.3**	**40.4**

NOTE 17. UNEARNED REVENUE

	31 March 2013 US$M	30 June 2012 US$M
Non Current		
Unearned revenue	200.0	-
Total unearned revenue	**200.0**	**-**

Total prepayment of US$200M under a six year off-take agreement with EdF, a major electricity generator and distribution company in France, to deliver a total of 13.73Mlb U_3O_8 in the period from 2019 to 2024. Uranium delivered under the off-take agreement will be sold to EdF at market prices prevailing at the time of delivery bounded by escalating floor and ceiling prices.

To secure the Company's obligation to deliver product representing the prepayment amount, EdF holds security over 60.1% of the Group's Michelin project in Canada. The percentage of Michelin secured will be reduced by joint agreement as the value of that project is enhanced by the Group's ongoing work. The Michelin security can also be replaced by other appropriate security if required.

NOTE 18. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares	31 March 2013 Number of Shares	30 June 2012 Number of Shares	31 March 2013 US$M	30 June 2012 US$M
Issued and fully paid	837,187,808	835,645,290	1,845.7	1,839.2

(b) Movements in ordinary shares on issue

Date		Number of Shares	Issue Price A$	Exchange Rate US$: A$	Total US$M
Balance 30 June 2011		777,698,217			1,768.1
September 2011	Rights vested	827,515	-	-	-
October 2011	Share Placement	56,866,232	1.20	1.04459	65.3
October 2011	Rights vested	37,500	-	-	-
November 2011	Rights vested	54,600	-	-	-
January 2012	Rights vested	1,980	-	-	-
February 2012	Rights vested	159,246	-	-	-
	Transfer from reserves				4.7
	Tax effect on prior period				3.2
	Transaction costs				(2.1)
Balance 30 June 2012		**835,645,290**(1)			**1,839.2**

(1) Includes 217,566 shares held by Paladin Employee Plan Pty Ltd.

EXPRESSED IN US DOLLARS

NOTE 18. CONTRIBUTED EQUITY (continued)

(b) Movements in ordinary shares on issue (continued)

Balance 30 June 2012		835,645,290			1,839.2
September 2012	Rights vested	1,180,361	-	-	-
February 2013	Rights vested	143,635	-	-	-
March 2013	Rights vested	218,522	-	-	-
	Transfer from reserves				6.5
Balance 31 March 2013		**837,187,808**(1)			**1,845.7**

(1) Includes 53,334 shares held by Paladin Employee Plan Pty Ltd.

(c) Options

Issued unlisted employee options outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2013 Number	**30 June 2012 Number**
Number of unlisted employee options	249,660	4,217,329

Consisting of the following:

Date options granted	**Exercisable**	**Expiry date**	**Exercise price of options**	**Number under option**
18 April 2008	18 April 2011	18 April 2013	A$4.59	249,660
Total				249,660

All outstanding options expired on 18 April 2013.

NOTE 18. CONTRIBUTED EQUITY (continued)

(d) Performance Share Rights

Issued unlisted employee share rights outstanding to the employees and consultants directly engaged in corporate, mine construction, operations and exploration and evaluation work for the Company are as follows:

	31 March 2013 Number	30 June 2012 Number
Number of unlisted employee share rights	3,391,732	6,885,882

Consisting of the following:

Date rights granted	Vesting date	Vesting performance conditions	Number
26 March 2010	26 March 2014	Relative total shareholder return	150,000
5 November 2010	5 November 2013	Relative total shareholder return	250,000
5 November 2010	5 November 2013	Earnings per share	250,000
5 November 2010	1 September 2013	Time based	373,072
5 November 2010	1 September 2013	Relative total shareholder return	298,460
5 November 2010	1 September 2013	Market price	447,690
15 February 2011	15 February 2014	Time based	125,650
2 April 2012	1 September 2013	Time based	237,810
2 April 2012	31 December 2013	Time based	20,000
2 April 2012	1 September 2014	Time based	446,350
2 April 2012	1 September 2014	Relative total shareholder return	317,080
2 April 2012	1 September 2014	Market price	475,620
Total			3,391,732

NOTE 19. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 31 March 2013 other than:

(a) Tenements	**31 March 2013 US$M**	**30 June 2012 US$M**
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	4.4	5.4
Later than one year but not later than 5 years	8.0	4.8
More than 5 years	26.1	26.6
Total tenements commitment	**38.5**	**36.8**

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Namibian, Malawian, Nigerian, Canadian, Western Australian, South Australian.

NOTE 19. COMMITMENTS AND CONTINGENCIES (continued)

(a) Tenements (continued)

Northern Territorian and Queensland Mines Departments applicable to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made.

These are necessary in order to maintain the tenements in which the Group and other parties are involved. All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Namibia, Malawi, Australia, Canada and Niger.

(b) Mine Construction Commitments	**31 March 2013 US$M**	**30 June 2012 US$M**
Commitments for mine construction contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	-	1.5
Later than one year but not later than 5 years	-	-
More than 5 years	-	-
Total mine construction	**-**	**1.5**

These commitments in 2012 relate to construction of Stage 3 at LHM.

(c) Operating Lease Commitments

The Group has entered into various property and vehicle leases relating to rental of offices, residential accommodation and transport.

These non-cancellable leases have remaining terms of between one month and seven years. All leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 March 2013 US$M	**30 June 2012 US$M**
Within one year	1.5	1.4
Later than one year but not later than 5 years	2.9	3.8
More than 5 years	-	-
Total operating lease commitment	**4.4**	**5.2**

NOTE 19. COMMITMENTS AND CONTINGENCIES (continued)

(d) Other Commitments	**31 March 2013 US$M**	**30 June 2012 US$M**
Commitments for mining, transport and reagents contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	39.9	33.0
Later than one year but not later than 5 years	2.2	2.5
More than 5 years	-	-
Total mine construction	**42.1**	**35.5**

(e) Acquisition Costs

The Group acquired a call option on 19 June 1998 in relation to the purchase of the Oobagooma Uranium Project and, in turn, granted a put option to the original holder of the project. Both the call and put options have an exercise price of A$0.75M (US$0.78M) (30 June 2012: A$0.75M (US$0.76M)) and are subject to the Department of Minerals & Energy granting tenements comprising two exploration licence applications. The A$0.75M is payable by the Group within 10 business days of the later of the grant of the tenements or the exercise of either the call or put option. The options will expire three months after the date the tenements are granted.

In relation to the Manyingee Uranium Project, the re-negotiated acquisition terms provide for a payment of A$0.75M (US$0.78M) (2012: A$0.75M (US$0.76M)) by the Group to the vendors when all project development approvals are obtained.

(f) Bank Guarantees

As at 31 March 2013 the Group has outstanding US$926,637 (A$889,599) (30 June 2012: US$889,944 / A$876,016) as a current guarantee provided by a bank for the corporate office lease and a US$252,194 (A$242,114) (30 June 2012: US$270,960 / A$266,719) guarantee for tenements.

(g) Contingent Liability

A dispute has arisen between a Group company and a contractor in relation to the contract for the Stage 3 expansion at LHM. The contractor is seeking payment of the disputed sum of US$32M. The Group denies the claim and will vigorously defend it. The Group is also counterclaiming damages from the contractor and cross-claiming from another contractor. The precise quantum of the counter-claim and cross claim has not yet been established but is expected to exceed the contractor's claim.

NOTE 20. EVENTS AFTER THE BALANCE DATE

Since the end of the nine month period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

APPENDIX A

Form 52-109F2 - Certification of interim filings – full certificate

I, John Borshoff, the certifying officer and Managing Director and Chief Executive Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Paladin Energy Ltd for the interim period ended 31 March 2013.

2. No misrepresentation: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

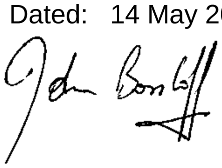
5.1 Control Framework: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2012 and ended on 31 March 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 14 May 2013



John Borshoff
Managing Director/CEO

Ref: 299130v5

Form 52-109F2 - Certification of interim filings – full certificate

I, Alan Rule, the certifying officer and Chief Financial Officer, Paladin Energy Ltd, certify the following:

1. Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Paladin Energy Ltd for the interim period ended 31 March 2013.

2. No misrepresentation: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable due diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. Responsibility: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, for the issuer.

5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 Control Framework: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

5.2 ICFR – material weakness relating to design: N/A

5.3 Limitation on scope of design: N/A

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on 1 July 2012 and ended on 31 March 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: 14 May 2013

Alan Rule
Chief Financial Officer

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