

Notice of General Meeting and Management Information Circular

Date of Meeting

Monday, 30 March 2015

Time of Meeting

10:00am Perth time

Place of Meeting

CWA House
1176 Hay Street
West Perth
Western Australia, 6005



Paladin Energy Ltd

ACN 061 681 098

NOTICE OF GENERAL MEETING

TO THE HOLDERS OF ORDINARY SHARES OF
PALADIN ENERGY LTD:

NOTICE IS HEREBY GIVEN that the General Meeting of the members of Paladin Energy Ltd (**Paladin** or the **Company**) will be held at CWA House, 1176 Hay Street, West Perth, Western Australia, 6005 on 30 March 2015 at 10:00am WST for the purpose of transacting the following business.

AGENDA

BUSINESS

A Management Information Circular containing information in relation to each of the following resolutions accompanies this Notice of Meeting.

Resolution 1 - Approval of issue of Convertible Bonds and Shares on conversion of Convertible Bonds

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, the Shareholders of the Company approve:

- the issue and allotment by the Company of up to US\$150 million aggregate principal amount of 7.00% Convertible Bonds due 31 March 2020, convertible into Ordinary Shares at an initial conversion price of US\$0.356 per Ordinary Share; and
- the issue of Ordinary Shares on conversion of the Convertible Bonds,

each on the terms and conditions set out in the Management Information Circular accompanying this Notice of Meeting."

Voting Exclusion

For the purposes of Resolution 1:

The Company will disregard any votes cast on this Resolution 1 by any person who may participate in the issue and by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary Shares if this resolution is passed, or any associate of that person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 - Ratification of Share Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Shareholders of the Company ratify the allotment and issue of 144,862,817 Ordinary Shares as described in the Management Information Circular accompanying this Notice of Meeting."

Voting Exclusion

For the purposes of Resolution 2:

The Company will disregard any votes cast on this Resolution 2 by any person who participated in the issue or any associate of that person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purpose of this Notice of Meeting, Management Information Circular and Resolutions 1 to 2:

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Board means the board of Directors;

Company or **Paladin** means Paladin Energy Ltd
ACN 061 681 098;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company;

EST means Canadian Eastern Standard Time;

Group or **Paladin Group** means Paladin and its subsidiaries taken as a whole;

HOPU means HOPU Clean Energy (Singapore) Pte. Ltd;

Listing Rules means the listing rules of the ASX;

Notice means the Notice of Annual General Meeting accompanying this Management Information Circular;

Shares or **Ordinary Shares** means fully paid ordinary shares in the Company;

Shareholder means the holder of Shares;

TSX means the Toronto Stock Exchange; and

WST means Australian Western Standard Time.

Other business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

By order of the Board



Gillian Swaby
Company Secretary
Dated: 13 February 2015

PROXIES

A Shareholder entitled to attend and vote at the above General Meeting of Shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

For Shareholders on the Australian register, proxies must be delivered prior to 10:00am (WST) on Saturday, 28 March 2015 to:

Computershare Investor Services Pty Limited

GPO Box 242
Melbourne VICTORIA 3001
AUSTRALIA

Or Facsimile:
Australia: 1800 783 447
Overseas: +61 3 9473 2555

The Registered Office of Paladin Energy Ltd

Level 4, 502 Hay Street
Subiaco WA 6008
or PO Box 201
Subiaco WA 6904

Or Facsimile:
Australia: 08 9381 4978
Overseas: +61 8 9381 4978

For Shareholders on the Canadian register, proxies must be delivered prior to 10:00pm Toronto time on Friday, 27 March 2015 to:

Computershare Investor Services Inc.

Attention: Proxy Dept.
100 University Avenue
8th Floor
TORONTO, ON M5J 2Y1
CANADA

Or Facsimile: +1 (866) 249 7775
(within North America)
or
+1 (416) 263 9524
(outside North America)

Telephone: 1-800-564 6253/
(within North America)
or
+1 (514) 982 7555
(outside North America)

ENTITLEMENT TO VOTE AND RECORD DATE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Shares at 10:00am WST on 28 March 2015 will be entitled to attend and vote at the General Meeting.

For the purposes of section 2.1 of Canadian National Instrument 54-101 the Directors have fixed the record date for notice of the General Meeting as 18 February 2015.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'. Information in relation to proxy voting is set out in the following documentation.

DATED at Perth, Western Australia, on 13 February 2015

MANAGEMENT INFORMATION CIRCULAR

13 February 2015

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of PALADIN for use at the General Meeting of the Company (the "Meeting") to be held on 30 March 2015, and any adjournments thereof, at the time and place and for the purposes set forth in the accompanying Notice. Unless otherwise noted, information contained herein is provided as at 13 February 2015.

Notice-and-Access

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their Shareholders of the availability of all proxy-related materials (Meeting Materials) on an easily-accessible website, rather than mailing physical copies of the materials.

The Company has decided to deliver the Meeting Materials to Beneficial Shareholders on the Canadian Register by posting the Meeting Materials on its website at www.paladinenergy.com.au. The Meeting Materials will be available on the Company's website as of 24 February 2015, and will remain on the website for one full year. The Meeting Materials will also be available on SEDAR at www.sedar.com as of 24 February 2015.

Beneficial Shareholders on the Canadian Register who wish to receive paper copies of the Meeting Materials may request copies on-line at www.proxyvote.com or by calling toll-free at 1-877-907-7643 and entering the 16-digit control number located on the voting instruction form and following the instructions provided. If you do not have a 16-digit control number, please call toll-free at 1-855-887-2244. Meeting Materials will be sent to such Shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting, and if the request is made after the meeting, within 10 days of their request if made up to one year from the date the Information Circular was filed on SEDAR. If Beneficial Shareholders have any questions regarding Notice-and-Access please call the toll-free assistance line at 1-855-887-2244.

VOTING BY PROXIES

This section headed "Voting by Proxies" only applies to registered holders (each a "Shareholder") of Ordinary Shares.

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly come before the Meeting. On any ballot, the Ordinary Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Ordinary Shares will be voted accordingly. **If a choice is not specified with respect to any matter, the Ordinary Shares represented by a proxy given to management are intended to be voted in favour of the resolutions contemplated herein. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.**

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to persons who beneficially own Ordinary Shares, as a substantial number of such persons do not hold Ordinary Shares in their own name. Persons who hold Ordinary Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold such securities in their own name (referred to in this section as “Beneficial Holders”) should note that only proxies deposited by persons whose names appear on the records of the Company may be recognised and acted upon at the Meeting. If Ordinary Shares are listed in an account statement provided to a Beneficial Holder by a broker, then in almost all cases those Ordinary Shares will not be registered in the Beneficial Holder’s name on the records of the Company. Such Ordinary Shares will more likely be registered under the names of the broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder.

Without specific instructions, brokers, agents and nominees are prohibited from voting securities for their clients.

Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Ordinary Shares are communicated to the appropriate person by the appropriate time.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of shareholders’ meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Ordinary Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form supplied to a Beneficial Holder by its broker, agent or nominee is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically supplies a voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to Broadridge or follow specified telephone voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the appropriate Meeting. **A Beneficial Holder receiving a voting instruction form from Broadridge cannot use that form to vote Ordinary Shares directly at the Meeting the voting instruction forms must be returned to Broadridge or the telephone procedures completed well in advance of the Meeting in order to have such Shares voted.**

Although Beneficial Holders may not be recognised directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent or nominee, a Beneficial Holder may attend at the Meeting as proxy holder for the Shareholder and vote the Ordinary Shares, as the case may be, in that capacity. Beneficial Holders who wish to attend at the Meeting and indirectly vote their Ordinary Shares, as the case may be, as proxy holder for the registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day

preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

PERSONS MAKING THE SOLICITATION

This solicitation of proxies is made by management of the Company. The cost of the solicitation has been and will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of 13 February 2015, the issued and outstanding capital of the Company consists of 1,666,927,668 Ordinary Shares. Subject to certain exclusions of votes contemplated below, each Ordinary Share is entitled to be voted at the Meeting. On a ballot, each Ordinary Share is entitled to one vote.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Ordinary Shares at 10:00am WST on 28 March 2015 will be entitled to attend and vote at the Meeting.

For the purposes of section 2.1 of Canadian National Instrument 54-101, the Directors have fixed the record date for notice of the Meeting as 18 February 2015.

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to a vote of Shareholders at the Meeting.

Special resolutions require the approval of at least 75% of votes of those members of the Company at the meeting in person or by proxy.

TEN PERCENT SHAREHOLDERS

To the knowledge of the Company’s Directors and executive officers, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than HOPU Clean Energy (Singapore) Pte. Ltd which holds 14.99% of the outstanding Ordinary Shares, on a non-diluted basis.

PARTICULARS OF MATTERS TO BE ACTED ON

The following information is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this in full before making any decision in relation to the resolutions.

BACKGROUND TO THE RESOLUTIONS

On 24 November 2014, the Company announced a placement and entitlement offer, through which it raised a total of approximately A\$205 million.

The placement of 144,862,817 Ordinary Shares to HOPU Clean Energy (Singapore) Pte Ltd (**HOPU**) was at an issue price of A\$0.42 per share, and represented approximately 15% of the Company’s issued capital at the time of issue.

The Company has now also entered into an agreement with J.P. Morgan Securities plc as Sole Lead Manager (the **Sole Lead Manager**) to issue:

- (a) US\$100 million aggregate principal amount of 7.00% Convertible Bonds due 31 March 2020, convertible into Ordinary Shares at an initial conversion price of US\$0.356 per Ordinary Share (**Firm Convertible Bonds**) for gross proceeds of US\$100 million; and
- (b) if agreed between the Company and the Sole Lead Manager (**Upsize Option**) on or prior to 14 March 2015,

up to a further US\$50 million aggregate principal amount of such convertible bonds (**Optional Convertible Bonds**, and together the Firm Convertible Bonds, the **Bonds** or **Convertible Bonds**) to existing or potential strategic partners for gross proceeds of up to US\$50 million,

conditional upon the Company's shareholders approving the issue of the Convertible Bonds and the issue of Ordinary Shares upon conversion. The proposed Convertible Bond issue is being managed by the Sole Lead Manager, J.P. Morgan Securities plc.

The net proceeds of the Firm Convertible Bonds and, to the extent required, of the placement and the entitlement offer will be used to fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015, with any remaining proceeds being used for general corporate purposes. The net proceeds of any Optional Convertible Bonds, if issued, will be used for additional funding flexibility.

Resolution 1 seeks shareholder approval for the issue of the Convertible Bonds and the Ordinary Shares that are issuable upon conversion of the Convertible Bonds.

Resolution 2 seeks shareholder approval for the ratification of the issue of the Ordinary Shares placed to HOPU.

ORDINARY RESOLUTIONS

Resolution 1 - Approval of issue of Convertible Bonds and Shares on conversion of Convertible Bonds

Listing Rule 7.1

Listing Rule 7.1 provides, subject to exceptions, that a company may not issue or agree to issue equity securities which represent more than 15% of the company's issued share capital at the beginning of any 12 month period without obtaining shareholder approval.

At the time of the placement to HOPU in November 2014, the Company utilised its 15% capacity under Listing Rule 7.1. Accordingly, for the Company to issue the Convertible Bonds it is necessary for Shareholders to approve the issue of the Convertible Bonds and the issue of Ordinary Shares issuable upon conversion of the Convertible Bonds.

In addition, if Shareholders approve the issue of the Convertible Bonds, the Convertible Bonds, and the Ordinary Shares issued on the conversion of the Convertible Bonds will not be counted towards the Company's 15% threshold set by Listing Rule 7.1.

Information for Shareholders

Listing Rule 7.3 requires the following information to be provided to Shareholders for the purpose of seeking approval of an issue under Listing Rule 7.1:

- (a) The Company intends to issue US\$100 million aggregate principal amount of Firm Convertible Bonds, convertible into Ordinary Shares at a conversion price described below.
- (b) Pursuant to the Upsize Option, the Company with the agreement of the Sole Lead Manager may elect to issue up to a further US\$50 million aggregate principal amount of Optional Convertible Bonds to existing or potential strategic partners.
- (c) It is intended that the Convertible Bonds will be issued on or about 31 March 2015.
- (d) The Convertible Bonds will be issued at 100% of their principal amount, in minimum denominations of US\$250,000, and integral multiples of US\$1,000 in excess thereof.
- (e) The Convertible Bonds will be subscribed for by the Sole Lead Manager, J.P. Morgan Securities plc, on behalf or for the account of, and issued to the nominee of the relevant clearing systems and held for the account of:

- in the case of the Firm Convertible Bonds, Australian and international institutional and professional investor clients of the Sole Lead Manager, J.P. Morgan Securities plc; or
- in the case of any Optional Convertible Bonds, existing or potential strategic partners selected by the Company with the approval of the Sole Lead Manager.

- (f) The Convertible Bonds carry a coupon of 7.00% per annum payable semi-annually in arrears.
- (g) The Convertible Bonds are convertible into Ordinary Shares at an initial conversion price of US\$0.356 per Ordinary Share, representing a conversion premium of approximately 25% above the reference price (share price at close prior to transaction launch) of Ordinary Shares at the time of pricing (US\$1.0000/A\$1.2975 based on exchange rates at the time of fixing the reference price). The initial conversion price is subject to adjustment in the event of a Change of Control and in certain other circumstances in accordance with certain provisions which are described in the Schedule to this Notice of Meeting. The number of Ordinary Shares that would be issued on conversion of the Convertible Bonds (assuming exercise of the Upsize Option) at the initial conversion price is 421,348,315, which, after issue and assuming no other issues of Ordinary Shares in the intervening time, would represent approximately 25.2% of the outstanding Ordinary Shares.

Each bondholder may elect, at any time during a conversion period commencing the 41st day after the closing date of the issue of Convertible Bonds and ending the date falling six New York business days prior to the final maturity date, to convert its Convertible Bond into Ordinary Shares at the then applicable conversion price. Bondholders' conversion rights may be exercised following exercise by the Company of its right to redeem the Convertible Bonds, as described below, up until the sixth New York business day prior to the date fixed by the Company for such redemption.

- (h) Each bondholder will have the option to require the Company to redeem all or some of such holder's Convertible Bonds at their principal amount, together with accrued interest:
 - if the Ordinary Shares are delisted from both the ASX and the Toronto Stock Exchange and such delisting continues for a continuing period of at least 10 calendar days; or
 - upon a Change of Control (as described in the Schedule).

In addition, upon the occurrence of an Event of Default (as described in the Schedule) the trustee for the bondholders may (and if instructed by bondholders holding at least one-quarter in principal amount of the Convertible Bonds then outstanding, must) declare the Convertible Bonds immediately due and repayable at their principal amount, together with accrued interest.

- (i) The Company has the option to redeem all but not some only of the outstanding Convertible Bonds prior to their maturity date at their principal amount, plus accrued interest, in certain circumstances described in the Schedule including:
 - on or after 31 March 2018, if the price of Ordinary Shares, translated into US dollars at the prevailing exchange rate, exceeds 130% of the conversion price for at least 20 consecutive dealing days ending within 5 business days of the Company's notice electing to redeem the Convertible Bonds;

- if conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85% or more in principal amount of the Convertible Bonds originally issued;
 - subject to exceptions, within the period commencing 30 days and ending on the date 75 days following a Change of Control (or, if later, ending on the date 75 calendar days following the date of delivery of a Change of Control notice).
- (j) Unless previously redeemed, purchased or cancelled, the Convertible Bonds will be redeemed at their principal amount, together with accrued interest, on 31 March 2020.
- (k) The Ordinary Shares to be issued upon conversion of the Convertible Bonds will rank *pari passu* with, and on the same terms as, the existing Ordinary Shares on issue.
- (l) Further details of the terms and conditions of the Convertible Bonds are set out in the Schedule.
- (m) The net proceeds of the Firm Convertible Bonds referenced in Resolution 1 and, to the extent required, of the placement and entitlement offer referred to above, will be used to fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015. The net proceeds of any Optional Convertible Bonds, if issued, will be used for additional funding flexibility.

Resolution 2 - Ratification of Share Issue

The 144,862,817 Ordinary Shares referred to in Resolution 2 were issued on 24 November 2014 to HOPU.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares constituting up to 15% of the issued capital of the company without requiring shareholder approval.

Information for Shareholders

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under Listing Rule 7.4:

- (a) The number of Ordinary Shares issued to HOPU pursuant to the placement was 144,862,817 Ordinary Shares.
- (b) The Ordinary Shares were issued to HOPU at A\$0.42 per Ordinary Share.
- (c) The Ordinary Shares issued to HOPU rank *pari passu* with, and on the same terms as, the existing Ordinary Shares on issue.
- (d) The proceeds raised through the allotment of the Ordinary Shares issued to HOPU and, to the extent required, of the entitlement offer, will partially fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015, with any remaining proceeds being used for general corporate purposes.

The above issue price of A\$0.42 per Ordinary Share represented approximately a 15% premium to the 30 day volume weighted average price of the Ordinary Shares on the ASX. Following settlement of the placement, HOPU held approximately 13% of the issued Ordinary Shares. In connection with this placement,

HOPU undertook the following commitments and acquired the following rights:

- (1) Commitment to subscribe for its full entitlement under the institutional tranche of the entitlement offer announced by the Company on 24 November 2014 and participate in last-in relief sub-underwriting of the retail tranche of the entitlement offer to bring its shareholding up to a maximum of 15% of the issued Ordinary Shares following the entitlement offer; and
- (2) Right to appoint a nominee for election to the Paladin Board so long as HOPU holds at least 10% of the outstanding Ordinary Shares, on a non-diluted basis.

Mr. Wendong Zhang was appointed as HOPU's nominee to the Paladin Board on 25 November 2014 and will be subject to re-election at the next annual general meeting of the Company provided HOPU then holds at least 10% of the outstanding Ordinary Shares, on a non-diluted basis.

The Company wishes to ratify the issue pursuant to Listing Rule 7.4 in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months, should circumstances require.

AVAILABILITY OF DOCUMENTS

Financial information is provided in the Company's comparative financial statements and Management's Discussion & Analysis for its most recently completed financial year, ended 30 June 2014.

In addition to copies of documents as otherwise contemplated herein, the Company will provide to any person, upon request to the Company Secretary, one copy of the following documents: (i) the comparative financial statements of the Company filed with the applicable securities regulatory authorities for the Company's most recently completed year in respect of which such financial statements have been issued, together with the report of the auditors thereon and Management's Discussion and Analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements and (ii) the Notice and Management Information Circular filed with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders which involved the election of Directors.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge by any person or company who is not a security holder of the Company, and who requests a copy of such document. Additionally, copies of publicly filed information concerning the Company can be found under the Company's profile at the ASX website at asx.com.au or under the Company's profile on SEDAR at www.sedar.com.

Copies of documents may be obtained as provided above by contacting the Company Secretary by mail at Paladin Energy Ltd, Level 4, 502 Hay Street, Subiaco, Western Australia, 6008, by facsimile at +61 8 9381 4978, or by email at paladin@paladinenergy.com.au

APPROVAL OF THIS INFORMATION CIRCULAR

The contents and the sending of this Management Information Circular have been approved by the Directors.

Dated at Perth, Western Australia, this 13 February 2015

By order of the Board



Gillian Swaby
Company Secretary

SCHEDULE - KEY FEATURES OF THE CONVERTIBLE BONDS

The following is a summary of the principal features of the Convertible Bonds which the Paladin Board considers may be material to the decision of shareholders to approve or not approve the issue of the Convertible Bonds. The full text of the terms and conditions may be viewed on the Company's website at www.paladinenergy.com.au, or under the Company's profile on SEDAR at www.sedar.com.

ISSUER

Paladin Energy Ltd.

THE BONDS

Up to US\$150 million 7.00% Convertible Bonds due 2020.

THE OFFERING

The Bonds are being offered and sold by the Sole Lead Manager outside the United States in accordance with Regulation S under the Securities Act ("Offer" or "Offering"). The Offering in Australia is only to select investors who are sophisticated or professional investors within the meaning of sections 708(8), (10) and (11) of the Corporations Act and who are not "retail clients" within the meaning of section 761G of the Corporations Act.

ISSUE PRICE

100% of the principal amount.

DENOMINATION

US\$250,000 or any amount in excess thereof which is an integral multiple of US\$1,000.

CLOSING DATE

On or about 31 March 2015 (the "Closing Date").

INTEREST

The rate of interest payable on the Bonds will be 7.00% per annum. Interest will be payable on the Bonds in cash semi-annually in arrears in equal instalments, on 31 March and 30 September in each year (each an "Interest Payment Date"), commencing with the Interest Payment Date falling on 30 September 2015.

All payments in respect of the Bonds shall be made without deduction of or withholding for or on account of any present or future taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax unless such deduction or withholding is required by law. In the event that any such deduction or withholding is required, the Issuer shall pay additional amounts in respect thereof ("Additional Amounts"), subject to certain exceptions.

CONVERSION RIGHT

Unless previously redeemed or purchased and cancelled, Bondholders will have the right to convert Bonds into Ordinary Shares at the then applicable Conversion Price at any time on or after the 41st day after the closing date of the issue of Convertible Bonds 2015, provided that the relevant Conversion Date shall fall no later than the date falling six New York business days prior to the Final Maturity Date or, if such Bond is to be redeemed prior to the Final Maturity Date pursuant to the provisions referred to in "Redemption at the Option of the Issuer" or "Redemption for Taxation Reasons" below, then not later than the sixth New York business day before the date fixed for redemption thereof. The initial Conversion Price shall be US\$0.356 per Ordinary Share. The Conversion Price will be subject to adjustment in certain circumstances described below, including upon the making of a Dividend by the Issuer and upon the occurrence of a Change of Control.

The Bonds will include provisions consistent with the Company's existing outstanding convertible bonds to adjust the Conversion Price to provide compensation to the Bondholders for the dilutive effect of certain corporate actions of the Company including:

1. stock splits;
2. bonus share issues;
3. dividends;
4. rights issues of Shares and other securities and rights to Shareholders at less than 95% of current market value; and
5. placements of Shares and other securities and rights wholly for cash or for no consideration at less than 95% of current market value.

The Conversion Price applicable to conversions during a Change of Control Period will also be adjusted as described in "Change of Control" below.

The full text of the adjustment provisions appear in the terms and conditions of the Bonds which may be viewed on the Company's website at www.paladinenergy.com.au, or under the Company's profile on SEDAR at www.sedar.com.

FINAL MATURITY

Unless previously purchased and cancelled, redeemed or converted, the Bonds will be redeemed in cash on 31 March 2020 (the "Final Maturity Date") at their principal amount.

REDEMPTION AT THE OPTION OF THE ISSUER

The Issuer will be entitled to redeem all but not some only of the outstanding Bonds at their principal amount plus accrued interest to but excluding the date fixed for redemption:

1. at any time on or after 31 March 2018, if on each of at least 20 consecutive dealing days ending not earlier than five days prior to the giving of the notice of redemption, the "Parity Value" (defined as the number of Ordinary Shares which would be issued on conversion of US\$250,000 in principal amount of the Bonds multiplied by the closing price of Ordinary Shares on the relevant day translated into US dollars at prevailing exchange rates) shall have been at least US\$325,000; or
2. if at any time prior to the date on which the relevant notice of redemption is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85% or more in principal amount of the Bonds originally issued and consolidated and forming a single series with the Bonds; or
3. within 45 days after the end of the Change of Control Period as described in "Change of Control" below.

REDEMPTION FOR TAXATION REASONS

In the event of certain changes affecting taxes of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax giving rise to an obligation on the Issuer to pay Additional Amounts (as described in "Interest" above), the Issuer may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole, but not in part, at any time at their principal amount, together with accrued but unpaid interest to such date. Upon such notice being given, a Bondholder may elect not to have his Bond redeemed, in which case such holder will not be entitled to receive payment of such Additional Amounts in respect of any payments on the Bonds.

OPTIONAL REDEMPTION BY BONDHOLDERS

Unless the Bonds have been previously redeemed, repurchased and cancelled or converted, each Bondholder shall have the right, at such Bondholder's option, following:

1. the occurrence of a "Change of Control" as described below; or
2. in the event that the Ordinary Shares are delisted from both ASX and TSX and such circumstance continues for at least 10 calendar days,

to require the Issuer to redeem such Bondholder's Bonds at their principal amount together with accrued interest.

CHANGE OF CONTROL

In the event of a Change of Control of the Issuer, Bondholders will have the right to during the period commencing on the occurrence of the Change of Control and ending on 30 calendar days after such occurrence (or, if later, 30 days after notice of the Change of Control is given by the Company to the Bondholders) (the "Change of Control Period"):

1. put the Bonds to the Issuer at their principal amount together with accrued interest; or
2. convert the Bonds at the Change of Control Conversion Price calculated in accordance with the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

COCCP is the Change of Control Conversion Price

OCP means the Conversion Price in effect on the relevant Conversion Date (disregarding the application of the Change of Control provision)

CP means the conversion premium of 25% (expressed as a fraction)

c means the number of days from and including the date of the Change of Control to but excluding the Maturity Date

t means the number of days from and including the Closing Date to but excluding the Maturity Date

A "Change of Control" occurs if:

1. an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (as defined in section 12 of the Corporations Act) of the offeror) to acquire the whole or any part of the issued ordinary share capital of the Issuer (an "Offer"); or
2. any person proposes a scheme of arrangement with regard to such acquisition (other than an Exempt Newco Scheme) (a "Scheme");

and (such offer or scheme having become or been declared unconditional in all respects) more than 50% of the voting rights of the issued share capital of the Issuer have or will become unconditionally vested in the offeror and/or such associate(s) as aforesaid. A "Change of Control" will also occur if an event occurs which has a like or similar effect.

In the event that a Change of Control occurs and the Bondholders do not exercise their rights to put the Bonds to the Company or convert the Bonds during the Change of Control Period, the Company may redeem the Bonds at its option as described in "Redemption at the Option of the Issuer" above.

NEGATIVE PLEDGE

The terms of the Bonds will contain a negative pledge restricting security being given by the Issuer and its Principal Subsidiaries in respect of certain indebtedness including indebtedness in respect of any bonds, notes or capital markets indebtedness or any guarantee thereof.

"Principal Subsidiaries" includes, in general, any subsidiary of the Company whose:

- (a) profits on ordinary activities before tax represents 10% or more of the consolidated profits on ordinary activities before tax of the Company and its subsidiaries; or
- (b) total assets represent 10% or more of the consolidated total assets of the Company and its subsidiaries,

in each case as calculated by reference to the then latest audited financial statements of such subsidiary and the then latest audited consolidated financial statements of the Company.

EVENTS OF DEFAULT

The terms of the Bonds will include events of default consistent with the terms of the Company's existing outstanding convertible bonds, including (subject to certain exceptions, grace periods and materiality thresholds):

1. non-payment of amounts due on the Bonds;
2. other breaches of the Company's obligations with respect to the Bonds;
3. cross-default in respect of other financial indebtedness of the Company or its subsidiaries in excess of US\$10,000,000;
4. non-payment of judgment debts not bonded, discharged or appealed in excess of US\$10,000,000;
5. execution of legal process against a substantial part of the Company's or any subsidiary's assets; and
6. insolvency, liquidation or similar events affecting the Company or its subsidiaries.

Upon the occurrence of such an event, the Trustee may (and if instructed by the holders of 25% or more in principal amount of the Bonds, must) declare the Bonds immediately due and repayable at their principal amount, together with accrued but unpaid interest.

TRUST DEED

The Bonds will be constituted by a trust deed expected to be dated on or about 31 March 2015 ("Trust Deed") between the Issuer and the Trustee.

TRUSTEE

The Bank of New York Mellon acting through its London branch.

GOVERNING LAW

The Bonds and the Trust Deed (and any non-contractual obligations arising out of or in connection with the Bonds or the Trust Deed) will be governed by, and construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds of the issue of the Firm Convertible Bonds are expected to amount to approximately US\$97 million, subject to adjustment for certain expenses in connection with the Offering. The net proceeds of the Firm Convertible Bonds will be used to partially fund the Company's concurrent tender offer to acquire any or all of the US\$300,000,000 3.625% convertible bonds due 4 November 2015 issued by the Company on 4 November 2010 (2010 Bonds). Under the terms of the tender offer, holders of the 2010 Bonds who receive an allocation of the new Bonds from the Sole Lead Manager as part of their initial issue will be entitled to tender and have accepted for repurchase by the Company 2010 Bonds in a principal amount 2.5 times the principal amount of the new Bonds for which they subscribe pursuant to such allocation. The net proceeds of the Optional Convertible Bonds, if issued, will be used for additional funding flexibility.