



PALADIN ENERGY LTD

ACN 061 681 098

28 May 2018

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

By Electronic Lodgement

Dear Sir/Madam

Michelin Joint Venture Agreement

Paladin Energy Limited (**Paladin**) (ASX:PDN) refers to its previous announcement on 22 December 2017, regarding the sale by Électricité de France S.A of its claims against certain of Paladin's Canadian subsidiaries that own 60.1% of the Michelin Project to Deutsche Bank AG. Deutsche Bank AG subsequently sold down parts of its interest in the Michelin Security (**Claims**) to a number of parties (**EDF Claimants**). Paladin is now pleased to announce it has finalised terms with the EDF Claimants (collectively, the "**Parties**") for a Joint Venture Agreement.

The terms of this proposal to extinguish the Claims will be put to the Canadian courts prior to the expiry of the stay of proceedings on 31 May 2018.

The Parties have agreed to use reasonable endeavours to negotiate and execute formal agreements regarding the proposal. The proposal will need to be voted on and passed by the creditors at the creditors meeting after which the Canadian court in bankruptcy will need to approve the proposal and the steps taken in the bankruptcy proceedings.

Upon execution of these formal agreements, and subject to court and creditor approval of the Canadian proposal and satisfaction of all of the release conditions precedent, all existing Claims which the EDF Claimants have against the Canadian subsidiaries and Michelin, will be irrevocably extinguished, released and discharged. In consideration for the release of these Claims, the EDF Claimants will have a 50% participating interest in the Michelin Project.

Under the terms of this Joint Venture Agreement, there will be a farm out over a five year period whereby, the EDF Claimants will transfer a 5% participating interest in the Michelin Project to Paladin on an annual basis (i.e., such that Paladin may hold a 75% interest in the Michelin Project after the fifth year). This farm out is subject to a number of conditions including Paladin as manager maintaining the licences that cover the Michelin Project and funding all obligations for that applicable full year.

Yours faithfully
Paladin Energy Ltd

Alexander Molyneux
CEO

Detailed below is a list of the parties involved in the Joint Venture Agreement:

- Paladin Netherlands B.V.
- Paladin Canada Investments (NL) Ltd
- Aurora Energy Ltd
- Paladin Energy Canada Ltd
- Paladin Canada Holdings (NL) Ltd
- Michelin Uranium Ltd
- Deutsche Bank AG, Burlington Loan Management DAC, Cowell & Lee Asia Credit Opportunities Fund, Broad Peak Master Fund II Ltd, OCM Opps PLDN Holdings, LLC and BlueBay Event Driven Credit Investments (Luxembourg) S.à.r.l. (or their respective Permitted Transferees (if applicable), (**EDF Claimants**))

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