



PALADIN

Clean energy. Clear future.

Level 8, 191 St Georges Terrace
PO Box 8062
Cloisters Square PO WA 6850
+61 8 9423 8100
paladin@paladinenergy.com.au
paladinenergy.com.au

ASX Announcement
27 August 2021

PALADIN ENERGY LTD
ABN 47 061 681 098
ASX code: PDN

ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2021



Paladin Energy Limited (ASX:PDN OTCQX:PALAF) (“Paladin” or “the Company”) is pleased to announce its financial results for the year ended 30 June 2021.

FY2021 HIGHLIGHTS

Financial and Operational Performance

- During the year, Paladin continued to progress the critical-path elements of its Restart Plan¹ for the globally significant Langer Heinrich Mine, including:
 - optimisation of pit design, tailings management and mining schedules
 - high level project delivery schedule development
 - appointment of key contractors
- The Langer Heinrich Mine remained on care and maintenance during the year
- The reset of Paladin’s capital structure via completion of the successful Placement and Entitlement Offer raising A\$218.7M (before costs) with redemption and cancellation of the US\$115M Senior Notes and the discharge of all related security
- Cash expenditure for FY2021 of US\$10.2M (excluding one-off equity raise costs of US\$7.6M and payments associated with the redemption of the US\$115M Senior Notes)
- FY2022 cash expenditure is forecast to be US\$12.2M, (including 100% Langer Heinrich Mine costs), an increase from FY2021 cash expenditure, primarily due to investment in future growth options through exploration and the impact of the forecast strengthening of the Australian and Namibian dollars. Cash receivables are forecast to be US\$3M with US\$1M expected from CNC Overseas Holding Limited (Paladin’s minority shareholder in

¹ ASX Announcement “Langer Heinrich Mine Restart Plan” dated 30 June 2020

For personal use only



the Langer Heinrich Mine) to fund Langer Heinrich care and maintenance activities and US\$2M expected from Lotus Resources Limited associated with the repayment of the environmental bond from the sale of Paladin (Africa) Ltd

- Net loss after tax from continuing operations for FY2021 was US\$58.3M (FY2020 loss of US\$46.1M), with the increased loss due to a non-cash revaluation of subsidiary loans
- The Company held US\$30.7M¹ of cash and cash equivalents as at 30 June 2021, and holds no corporate debt.

Health & Safety

- Paladin had no lost time injuries or reportable environmental incidents during FY2021
- Five employees at the Langer Heinrich Mine tested positive to COVID-19 during the year. These employees have all recovered and returned to work
- The Company continued to maintain appropriate protocols across all locations to minimise the potential transmission of COVID-19.

Corporate

- Ms Melissa Holzberger and Ms Joanne Palmer were appointed as independent non-executive directors of the Company during FY2021.
- Paladin further expanded the strength and breadth of its management team during the year with the appointments of Mr Jonathon Clements (General Manager Projects and Development), Mr Jess Oram (General Manager Exploration) and Mr Alex Rybak (General Manager Business Development & Marketing)
- An equity raise by way of a fully underwritten pro-rata accelerated non-renounceable entitlement offer and institutional placement, raising A\$218.7M, was completed during the year
- Proceeds from the Equity Raise were used to fully redeem the US\$115M Senior Notes. The reset of Paladin's capital structure has cleared the Company's corporate debt, providing capital flexibility and a platform to maximise shareholder value upon expected improvements in the uranium market.

Paladin CEO, Ian Purdy said *"With our successful equity raising and debt redemption during the year, Paladin is now strongly placed to continue progressing the Langer Heinrich Mine towards restarting production and advancing our portfolio of high-grade exploration assets. The addition of Jonathon, Jess and Alex to Paladin's executive management team have significantly strengthened our internal skill sets.*

At the Langer Heinrich Mine we continue to focus on the continued de-risking of the mine restart. We continue to engage with global nuclear energy utilities to secure long term contracts to underpin the restart of the Langer Heinrich Mine and ensure the project, when re-started, will deliver significant economic benefit to all of our shareholders."

This release has been authorised for release by the Board of Directors of Paladin Energy Ltd.

For further information contact:

Ian Purdy
Chief Executive Officer
P: +61 8 9423 8117
E: paladin@paladinenergy.com.au

About Paladin

Paladin Energy Limited (ASX:PDN OTCQX:PALAF) is an Australian listed uranium company focused on maximising the value of its 75% stake in the Langer Heinrich Mine in Namibia.

Langer Heinrich is a globally significant, long-life operation, having already produced over 43Mlb U₃O₈ to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets. Nuclear power remains a cost-effective, low carbon option for electricity generation.

¹ Excluding restricted cash of US\$1M

Appendix 4E - Financial Report
Financial year ended 30 June 2021

Paladin Energy Ltd

ABN or equivalent company reference

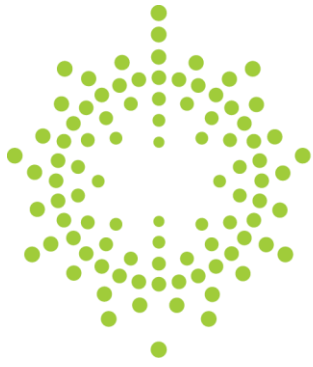
ACN 061 681 098

Results for announcement to the market

				30 June 2021 US\$'000	30 June 2020 US\$'000
Revenue from sales of uranium oxide	Up	100%	to	2,985	-
Revenue	Up	100%	to	2,985	-
Loss after tax attributable to members	Down	45%	to	(43,983)	(79,866)
Net loss for the year attributable to members	Down	45%	to	(43,983)	(79,866)
Loss per share (US cents)				(2.0)	(4.1)

Dividends	Amount per security	Franked amount per security
It is not proposed to pay dividends for the year	N/A	N/A
Previous corresponding year: No dividend paid	N/A	N/A
An explanation of the results is included in the Operating and Financial Review and the Financial Report attached.		
	30 June 2021	30 June 2020
Net tangible assets per share	US\$0.09	US\$0.04
Other		
Previous corresponding period is the year ended 30 June 2020.		
All foreign subsidiaries are prepared using IFRS.		

For personal use only



PALADIN

2021

Annual Report

ACN 061 681 098

For personal use only



TABLE OF CONTENTS

Corporate Directory	3
Chairman's Letter	4
Insights from the CEO	5
Operating and financial review.....	8
Ore Reserves and Mineral Resources	11
Health and Safety / Sustainable Development.....	16
Corporate Governance Statement	17
Directors' Report	18
Remuneration Report	24
Contents of the Financial Report	39
Consolidated Income Statement	40
Consolidated Statement of Comprehensive Income	41
Consolidated Statement of Financial Position	42
Consolidated Statement of Changes in Equity	43
Consolidated Statement of Cash Flows	44
Notes to the Consolidated Financial Statements	45
Directors' Declaration.....	88
Independent Audit Report	89
Additional Information.....	95

For personal use only

Corporate Directory



DIRECTORS

Non-Executive Chairman Mr Cliff Lawrenson

Non-Executive Directors
Mr Peter Main
Mr Peter Watson
Ms Melissa Holzberger
Ms Joanne Palmer

Chief Executive Officer Mr Ian Purdy

Company Secretary Mr Jeremy Ryan

REGISTERED OFFICE
Level 8, 191 St Georges Terrace
Perth Western Australia 6000
Telephone: (+61 8) 9423 8100
Facsimile: (+61 8) 9381 4978
Email: paladin@paladinenergy.com.au
Web: www.paladinenergy.com.au

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth Western Australia 6000

Telephone: 1300 850 505 (within Australia) or
(+61 3) 9415 4000 (outside Australia)
Facsimile: (+61 3) 9473 2500

INVESTOR RELATIONS
Mr Alex Rybak
Level 8, 191 St Georges Terrace
Perth Western Australia 6000
(PO Box 8062 Cloisters Square PO WA 6850)
Telephone: (+61 8) 9423 8135
Facsimile: (+61 8) 9381 4978
Email: alex.rybak@paladinenergy.com.au

AUDITORS
PricewaterhouseCoopers
125 St Georges Terrace
Perth Western Australia 6000

STOCK EXCHANGE LISTINGS
Australian Securities Exchange
Code: PDN

Namibian Stock Exchange
Code: NM-PDN

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

Paladin Energy Ltd is a company limited by shares, incorporated and domiciled in Australia.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website www.paladinenergy.com.au.

For personal use only

Chairman's Letter



Dear Stakeholders

On behalf of your Board of Directors, I am delighted to present the 2021 Annual Report. During the 2021 Financial Year (FY2021), we achieved a number of important milestones as Paladin's team works towards restarting our Langer Heinrich Mine and unlocking significant shareholder value.

Our Langer Heinrich Mine, located in Namibia, remains a globally significant asset within the uranium sector. The Mine Restart Plan¹ completed in 2020 highlighted the strategic significance of the asset and the potential economic returns that can be delivered to shareholders under the right uranium price environment. The team continues to refine and progress the work packages required to deliver the Langer Heinrich Mine back into production and to ensure that we execute the project with minimised risk.

With the growing global demand for electricity, and the targets for reduced CO₂ emissions, nuclear energy will continue to play a key role in the decarbonisation of global power generation. At Paladin, we stand ready to contribute positively to the reduction of carbon emissions.

Uranium mining and processing are critical components of the nuclear fuel cycle as they provide the raw material for producing clean, sustainable base-load electricity. The uranium which will be mined and processed at the Langer Heinrich Mine in the future and used to resource nuclear power plants to displace coal-fired electricity will significantly contribute to reducing CO₂ emissions over the life of the mine.

During the year we restated our core sustainability commitments to the critical areas that underpin our shared present and our future: Health, Safety and Wellbeing, People and Opportunity, Community and Social Investment and Environmental Stewardship, via our 2020 Sustainability Update. At Paladin, we are committed to upholding our sustainability standards for our people, communities and environment. In this, we are clear that our personal actions will always reflect both Paladin's values and our sustainability commitments.

Importantly, during the year, the Company undertook a transformational reset of our capital structure. The Company now has no corporate debt and the benefit of increased capital flexibility will provide a solid foundation for management to continue its focus on the Langer Heinrich Mine restart and value creation for equity holders in an improving uranium market.

We extended our Board of Directors during the year with the addition of Melissa Holzberger and Joanne Palmer as independent Non-Executive Directors. Melissa's extensive experience in legal, governance and compliance roles and Joanne's experience within audit and financial services will help strengthen the Board's experience and expertise. The appointment of Melissa and Joanne reflects Paladin's commitment to maintaining the highest standards of governance. Their appointments enhance the attributes, experience and diversity of our Board, providing a broader skill set to ensure the effective governance of our Company.

I would like to take this opportunity to thank all of our stakeholders, particularly our staff in Australia, Namibia and Canada, for their ongoing support and commitment to our efforts in advancing Langer Heinrich towards restarting production.

Finally, on behalf of the Board I would like to thank you, our shareholders, for your continued support and I look forward to reporting on the progress we make over the coming year.

Yours faithfully


Cliff Lawrenson
Chairman

¹ ASX Announcement "Langer Heinrich Mine Restart Plan" dated 30 June 2020

For personal use only

Insights from the CEO



Dear Shareholders

The 2021 Financial Year (FY2021) has been another year of significant progress for Paladin. Over the course of the year we completed the transformation of the company and returned Paladin to its position as an industry leading Uranium company. Key achievements included:

- Advancing the Langer Heinrich Mine restart planning and further de-risking the operational restart activities
- Extending our leadership team to ensure we have the right skills to bring the Langer Heinrich Mine back into production and pursue our existing growth opportunities
- Completing a transformational reset of our capital structure through the redemption of our corporate debt, and
- Continuing our marketing activities to secure long-term uranium offtake agreements.

During the year Paladin also committed to a shared accountability to the core principle of delivering value through sustainable development. Our Paladin Values support every decision we take, and we proactively uphold key operating responsibilities to ensure we are considered and transparent in all we do. With these strong foundations, we can focus on achieving economic, social and environmental sustainability in balanced and successful ways for all stakeholders.

Advancing the Langer Heinrich Mine towards production

Our primary focus during the year was advancing activities to return the Langer Heinrich Mine back to production. Paladin owns 75% of the Langer Heinrich Mine located in Namibia, which commenced operations in 2007 and has produced and sold over 43Mlb of U₃O₈ to date. The mine was transitioned into care and maintenance in August 2018 due to the sustained low uranium price.

The release of the Langer Heinrich Mine Restart Plan¹ (the Restart Plan) in FY2020 provided a low risk, reliable restart plan balancing the ability to rapidly respond to strengthening uranium prices and maximising asset value. Since its release the Company has continued to progress the restart plan and engage with our key consultants AMC (mine planning), Lycopodium Minerals (engineering) and Elemental Engineering (processing). Work programmes included:

- Optimisation of pit shells and improved pit design with revised wall angles and detailed geometallurgical data input into resource models for the mining phase
- Developing a separate detailed geometallurgical model for the first year mining of the medium grade stockpile
- Updating the Mineral Resource model including the validation of dilution assumptions from historical mining data
- Engagement with the previous mining contractor on future improvements
- Completing various discipline reports (civil, structural, tanks, electrical, instruments, piping and valves) on plant and equipment condition, ready for prioritisation and detailed costing
- Completing detailed analysis of historical plant performance from the metallurgical database and establishing key process issues and drivers
- Completing reports on plant run-time and capacity, at target grades and crushed ore volumes, and
- Engagement of original equipment manufacturers to provide technical support for target process and equipment improvements.

¹ ASX Announcement "Langer Heinrich Mine Restart Plan" dated 30 June 2020

For personal use only

Insights from the CEO (continued)



The engagement of high calibre industry experts, and our own detailed project work, will ensure that, when the right uranium pricing market prevails, the Langer Heinrich Mine can be successfully restarted delivering value to all stakeholders.

During the year the Company also continued its care and maintenance activities at the Langer Heinrich Mine, which are focused on maintaining the operational integrity of the plant and ensuring all plant and equipment is in a state of readiness for a production restart.

Our People

Our people remain the key to the ongoing success of our Company. We have carefully recruited over the year to ensure we have the right team to bring the Langer Heinrich Mine back into production and drive the future growth of the Paladin.

- Jonathon Clements was appointed General Manager Projects and Development. Jonathon is a mining and mineral processing industry professional with over 30 years' of experience in the resources industry. His extensive experience and qualifications include the management of large sustaining capital portfolios, feasibility studies, maintenance and global projects from concept to construction
- Jess Oram was appointed as General Manager Exploration. Jess is an experienced exploration geologist and manager with over 25 years' of experience in mineral exploration and management across a variety of commodities and companies
- Alex Rybak was appointed General Manager Business Development & Marketing. Alex is an M&A, Business Development and Strategy professional with over 20 years' of experience, spanning both in-house and in advisory capacities across a broad range of sectors including mining, oil & gas, healthcare and financial services.

The health and safety of our people remains a core priority for the company. During the year we reported no lost time injuries or reportable incidents. To safeguard our employees against COVID-19, the company continued to implement a range of protocols across all of our locations aimed at reducing the potential for transmission.

Strong balance sheet provides flexibility

Paladin completed a transformational reset of our capital structure during FY2021. The Company undertook an equity raise by way of a fully underwritten pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise A\$218.7M. The entitlement offer and institutional placement were both heavily oversubscribed, demonstrating investors' confidence that Paladin is well positioned to take advantage of expected improvements in the uranium market. The successful equity raise and Senior Note redemption resulted in:

- A reset the Company's capital structure, significantly improving the Company's financial strength and resilience;
- Removal of the legacy corporate debt via the redemption of the US\$115M Senior Notes;
- Increased optionality on future funding structures for the capital required to restart the Langer Heinrich Mine; and
- Strengthening of the Company's uranium marketing position as a preferred counterparty.

With unrestricted cash reserves of US\$30.7M at 30 June 2021, the Company maintains a disciplined and patient approach to restarting the Langer Heinrich Mine and has the financial flexibility to respond to market conditions. We will only restart operations after securing an appropriate term-price contract with sufficient tenure and value to deliver an appropriate return to all stakeholders.

Insights from the CEO (continued)



Uranium market fundamentals remain positive

In the face of the COVID-19 pandemic, global nuclear power generation remained stable in FY2021. China remains at the cornerstone of global nuclear growth with four units added to the grid over the past 12 months and construction commencing on a further eight new nuclear plants. Worldwide, FY2021 saw a total of ten new reactors enter commercial operation, including in the United Arab Emirates and Belarus.

With 54 reactors under construction across 20 countries, the outlook for nuclear power remains positive. The advancement of Small Modular Reactor technology in multiple countries is expected to provide additional impetus to uranium demand in future years.

With many operating nuclear plants economically disadvantaged by market deregulation in the United States, the successful implementation of a US\$1.2 trillion infrastructure bill introduced by the Biden administration will provide key industry support.

The first half of 2021 has seen the re-emergence of strong secondary uranium demand via financial entities and junior uranium developers. More than 15 million pounds of uranium has been purchased by these market players so far in 2021. Of particular note is the recently established Sprott Physical Uranium Trust which already holds approximately 19 million pounds of uranium and which is expected to simplify and expand investor ownership of physical material going forward.

In contrast with the demand side of the industry, the COVID-19 pandemic has had a notable impact on global uranium supply. Extended shut-downs at Cigar Lake in Canada alongside production cut-backs in Kazakhstan combined to remove almost 28 million pounds from planned uranium production in FY2021.

During 2021 the market has also seen the permanent closure of long-standing operations in Australia (Ranger) and Niger (Akouta), removing upwards of six million pounds per annum of primary uranium supply. Kazakhstan intends to maintain a 20% reduction to production through 2023, reducing market supply by an additional 20 million pounds in aggregate.

Production cut-backs have increased the rate of inventory drawdown by global nuclear utilities. Inventory levels held by US and European utilities are at their lowest for several years and will continue to reduce in coming years. Meanwhile forward uranium contracting has remained well below replacement levels, exacerbating future supply imbalances. The normalisation of uranium contracting remains a key influence to a return to incentive prices required for the resumption of production at the Langer Heinrich Mine.


Outlook

We are looking forward with confidence as we continue to progress the restart of our world class Langer Heinrich Mine and assess growth opportunities within the company's high-grade global exploration portfolio.

The Restart Plan highlighted that Langer Heinrich is competitively positioned versus other suspended uranium mines and greenfield projects due to its low levels of restart capital and its low operating costs. With strong project economics, we anticipate Langer Heinrich will be at the forefront of the next wave of uranium mines commissioned to meet the structural shortage in uranium supply.

I would like to thank all our staff, contractors and consultants for their hard work and dedication over the year. I would also like to thank the Board of Directors for their ongoing support and finally, I would like to thank our shareholders for your continued support of the Company. The positive outlook for uranium markets and Paladin's opportunity to positively impact the decarbonisation of global electricity generation provides the platform for an exciting year ahead.

Yours faithfully


Ian Purdy
Chief Executive Officer

For personal use only



OVERVIEW OF OPERATIONS

Paladin Energy Limited (ASX:PDN OTCQX:PALAF) is an Australian listed uranium company focused on maximising the value of its 75% stake in the Langer Heinrich Uranium Mine (LHM) in Namibia. Langer Heinrich is a globally significant, long-life operation, having already produced over 43Mlb U₃O₈ to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets. Nuclear power remains a cost-effective, low carbon option for electricity generation.

The Company is incorporated under the laws of Australia with a primary share market listing on the Australian Securities Exchange (ASX) and the Namibian Stock Exchange (NSX). The Company also trades on the OTCQX market in the United States of America and the Munich, Berlin, Stuttgart and Frankfurt markets.

HIGHLIGHTS

Health & Safety

- Paladin had no lost time injuries or reportable environmental incidents during FY2021
- Five employees at the Langer Heinrich Mine tested positive to COVID-19 during the year. These employees have all recovered and returned to work
- The Company continued to maintain appropriate protocols across all locations to minimise the potential transmission of COVID-19.

Operational Performance

- During the year, the Company continued to progress the critical-path elements of its plan to restart the globally significant Langer Heinrich Mine, including:
 - optimisation of pit design, tailings management and mining schedules
 - high level project delivery schedule development
 - appointment of key contractors
- The Langer Heinrich Mine remained on care and maintenance during the year
- There were no production or development activities during the year.

Exploration

- During the year, the Company has undertaken the work required to meet minimum tenement commitments at its exploration projects in Canada and Australia
- Under the terms of the Michelin Joint Venture Agreement, a mandatory transfer of 5% from Michelin Nominees Ltd to Aurora Energy Ltd (a wholly owned subsidiary of the Company) was completed, increasing the Company's interest from 60% to 65%.

Corporate

- Ms Melissa Holzberger and Ms Joanne Palmer were appointed as independent non-executive directors of the Company during FY2021
- Paladin further expanded the strength and breadth of its management team during the year with the appointments of Mr Jonathon Clements (General Manager Projects and Development), Mr Jess Oram (General Manager Exploration) and Mr Alex Rybak (General Manager Business Development & Marketing)
- An Equity Raise by way of a fully underwritten pro-rata accelerated non-renounceable entitlement offer and institutional placement, raising A\$218.7M, was completed during the year proceeds from the equity raise were used to fully redeem the US\$115M Senior Notes
- The reset of Paladin's capital structure has cleared the Company's corporate debt, providing capital flexibility and a platform to maximise shareholder value upon expected improvements in the uranium market.

For personal use only

Operating and Financial Review (continued)



FINANCIAL PERFORMANCE

Key financial performance metric	Year ended 30 June			
	2021	2020	% Change	
Earnings				
Average selling price	US\$/lb	29.85	-	100
U ₃ O ₈ sold	Mlb	100,000	-	100
Revenue	US\$'000	2,985	-	100
Cost of sales	US\$'000	(2,973)	-	100
Net loss after tax from continuing operations	US\$'000	(58,258)	(46,051)	27
(Loss)/profit after tax from discontinued operations	US\$'000	-	(46,401)	(100)
Cash Flows				
Cash flows from operating activities	US\$'000	(5,565)	(11,478)	(52)
Capital expenditure	US\$'000	(3,261)	(4,346)	(25)
Free cash flows	US\$'000	(8,826)	(15,824)	(44)
Financial Position				
Unrestricted cash and cash equivalents	US\$'000	30,661	34,237	(10)
Debt (principal amount + accrued interest)	US\$'000	-	145,745	(100)
Net debt	US\$'000	-	111,508	(100)
Total equity	US\$'000	246,708	92,999	165
Gearing ratio (Net debt / (net debt + equity))	%	-	55	100

Earnings

Net loss after tax from continuing operations increased by 27%, mainly as a result of foreign exchange losses of US\$3,934,000 (2020: foreign exchange gain US\$8,279,000) which is predominantly due to the foreign exchange translation of the environmental rehabilitation provision in Namibia. The Namibian dollar appreciated 17% during the year, from US\$1:N\$17.2708 at 30 June 2020 to US\$1:N\$14.3121 at 30 June 2021.

Cash Flows

The Group had unrestricted cash and cash equivalents at 30 June 2021 of US\$30,661,000.

Unrestricted cash and cash equivalents decreased by US\$3,576,000 during the year comprising of the following cash flows:

- Receipts from customers – proceeds from a spot sale of 100,000lb of uranium of US\$2,985,000.
- Cost of sales – cost of sales relating to the spot sale of US\$2,973,000.
- Placement and Entitlement Offer – net proceeds from issue of shares US\$158,963,000.
- Redemption of Senior Secured Notes – repayment of US\$115,000,000 senior secured notes plus redemption premium and accrued interest of US\$42,765,000.
- Interest received & paid and other income – the Group received cash inflows of US\$1,438,000, including US\$1,316,000 proceeds from the final settlement for litigation related to previous activities at the Kayelekera Mine (not related to the sale to Lotus Resources Ltd).
- Proceeds from sale of Paladin (Africa) Ltd – the Group received US\$1,000,000 from Lotus Resources Ltd: the second tranche of repayment of funds advanced to provide security for the US\$10,000,000 environmental performance bond.
- Langer Heinrich expenditure – ongoing C&M, Langer Heinrich Mine utilised US\$3,050,000 in cash flows from operations.
- Langer Heinrich restart study costs – the Group incurred US\$2,142,000 in restart study expenditure.
- Exploration expenditure – the Group utilised US\$1,081,000 for minimum tenement commitments at its exploration projects.

Operating and Financial Review (continued)



- Corporate expenditure – during the year US\$3,764,000 was paid for corporate costs.
- Payments for property, plant and equipment – during the year US\$38,000 was paid for property, plant and equipment.
- Effect of movement in exchange rates on cash held – US\$3,002,000 was predominantly due to an increase in Australian dollars following the completion of the equity raising and held to cover corporate expenditure.

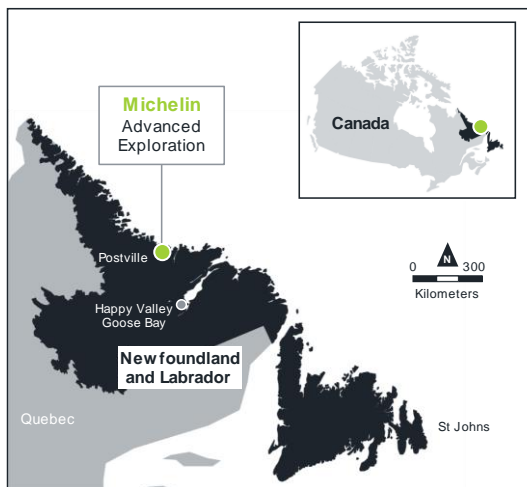
Financial Position

Unrestricted group cash and cash equivalents decreased by 10% to US\$30,661,000. Debt decreased by 100%, from US\$145,745,000 at 30 June 2020 to Nil at 30 June 2021 as Paladin fully redeemed the US\$115,000,000 Senior Notes in April 2021. This resulted in the Company's gearing ratio decreased from 55% at 30 June 2020 to Nil at 30 June 2021.

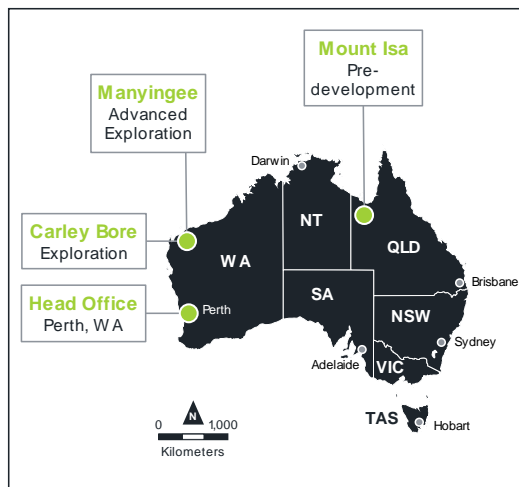
For personal use only



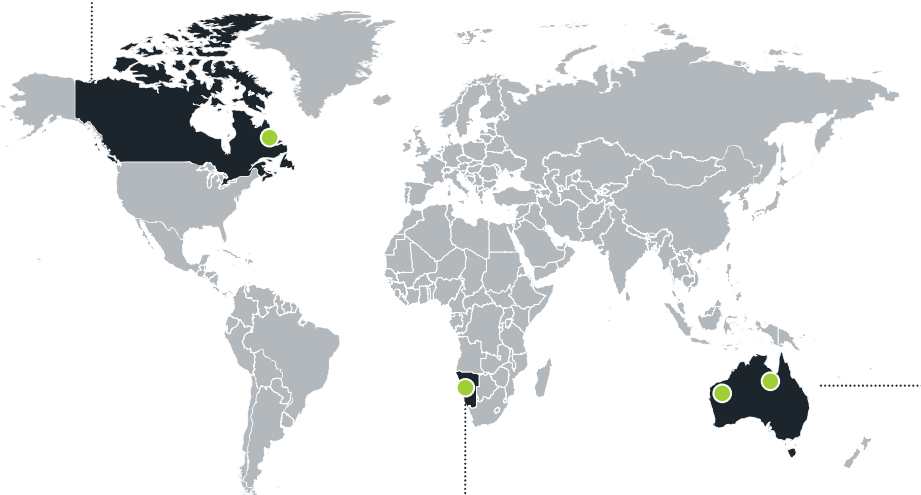
PROJECT LOCATIONS AND RESOURCE OVERVIEW



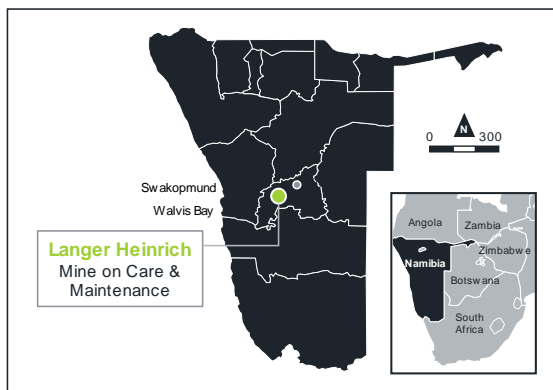
Canada



Australia



Namibia



Unless specifically noted, Mineral Resources were prepared and first disclosed under the JORC Code 2004. These estimates have not been updated since to comply with JORC Code (2012) on the basis that the information that the estimates are derived from has not materially changed since it was last reported.

For personal use only

Ore Reserves and Mineral Resources (continued)



NAMIBIA

Langer Heinrich

Langer Heinrich is located in central western Namibia approximately 80km east of Swakopmund. Langer Heinrich is a surficial calcrete type uranium deposit containing a JORC Code (2012) compliant Mineral Resource of 119.7Mlb U₃O₈ at a grade of 445ppm U₃O₈ and 38.8Mlb V₂O₅ at grade of 145ppm V₂O₅ at a cut-off of grade of 250ppm U₃O₈. The deposit consists of seven mineralised zones designated Detail 1 to 7 along the length of the Langer Heinrich valley within the 15km length of a contiguous paleo drainage system.

The Langer Heinrich Mine transitioned to care and maintenance in August 2018.

CANADA

Michelin Project

Paladin, through its wholly-owned subsidiary Aurora Energy Ltd (Aurora), holds rights to 52,250 hectares of mineral claims within the Central Mineral Belt of Labrador (CMB), Canada, approximately 140km north of Happy Valley-Goose Bay and 40km southwest of the community of Postville.

Paladin currently holds a 65% interest (increased from 60% in May 2020) in a special purpose joint venture (Michelin Joint Venture) which owns the Michelin Project. The Michelin Joint Venture includes a farm out agreement over a five year period whereby Paladin will receive an additional 5% participating interest in the Michelin Project on an annual basis until May 2023 in return for Paladin funding all obligations for the Michelin Project over this period.

The mineral claims cover a significant area of prospective ground over the CMB. The claims contain 105.6Mlb U₃O₈ Measured and Indicated Mineral Resources as well as an additional 22Mlb U₃O₈ Inferred Mineral Resource in six deposits. The largest of these deposits is Michelin which contains a total JORC Code (2012) compliant Mineral Resource of 92.0Mlb U₃O₈, 82.2Mlb of which is classified Measured and Indicated. Michelin is still open along strike and at depth. Cut-off grades for all deposits except Jacques Lake reflect the use of open cut (200ppm) and underground (500ppm) mining methodologies in the determination of prospects for eventual economic extraction. For Jacques Lake, there was insufficient Mineral Resources remaining after pit optimisation studies to warrant any portion being considered for underground mining.

QUEENSLAND

Mount Isa Project

The Mount Isa Project, which is wholly-owned by Paladin, is located 40km north of Mount Isa and consists of six Mineral Development Licences.

The Mount Isa Project includes 10 deposits containing 106.2Mlb U₃O₈ Measured and Indicated Mineral Resources as well as 42.2Mlb U₃O₈ Inferred Mineral Resources at a cut-off grade of 250ppm U₃O₈ for all deposits except Valhalla which utilised a cut-off grade of 230ppm U₃O₈.

WESTERN AUSTRALIA

Manyingee Project

Manyingee is located in the north-west of Western Australia, 1,100km north of Perth and 85km inland from the coastal township of Onslow. The property is comprised of three mining leases covering 1,307 hectares. Field trials by AFMEX demonstrated that the Manyingee sandstone-hosted uranium deposit is amenable to extraction by in-situ recovery (ISR) in 1985.

Manyingee contains an Indicated Mineral Resource of 15.7Mlb U₃O₈ grading 850ppm and an Inferred Mineral Resource of 10.2Mlb U₃O₈ grading 850ppm (JORC Code (2012) compliant) at a cut-off grade of 250ppm U₃O₈.

For personal use only

Ore Reserves and Mineral Resources (continued)



Carley Bore

Carley Bore is located approximately 100km south of Manyingee in Western Australia. Carley Bore consists of two contiguous exploration licences with granted retention status.

The Carley Bore deposit contains an JORC Code (2012) compliant Mineral Resources, 5.0Mlb U₃O₈ grading 420ppm in the Indicated category and 10.6Mlb U₃O₈ grading 280ppm in the Inferred category at a cut-off grade of 150ppm U₃O₈. Potential exists for extensions to mineralisation north and south of the estimated Carley Bore Mineral Resource.

MINERAL RESOURCES AND ORE RESERVES SUMMARY

The following tables detail the Company's Mineral Resources and Ore Reserves and the changes that have occurred within FY2021. There were no material changes to the Company's Mineral Resources and Ore Reserves.

Uranium Mineral Resources	30 June 2021			30 June 2020			Change	
	Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Mlb U ₃ O ₈
Namibia								
Measured	Langer Heinrich ¹							
In-situ	66.2	490	71.9	66.2	490	71.9	-	-
MG ROM stockpiles	4.7	520	5.4	4.7	520	5.4	-	-
Lg ROM stockpiles	26.1	325	18.7	26.1	325	18.7	-	-
Total Measured	97.0	445	95.9	97.0	445	95.9	-	-
Indicated								
In-situ	18.8	435	18.0	18.8	435	18.0	-	-
Inferred								
In-situ	6.3	420	5.8	6.3	420	5.8	-	-
Stockpiles	-	-	-	-	-	-	-	-

¹ JORC Code (2012) compliant

For personal use only

Ore Reserves and Mineral Resources (continued)



Uranium Mineral Resources		30 June 2021			30 June 2020			Change	
		Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Grade ppm U ₃ O ₈	Mlb U ₃ O ₈	Mt	Mlb U ₃ O ₈
Canada									
Measured	Michelin ¹	17.6	965	37.6	17.6	965	37.6	-	-
	Rainbow	0.2	920	0.4	0.2	920	0.4	-	-
Indicated	Gear	0.4	770	0.6	0.4	770	0.6	-	-
	Inda	1.2	690	1.8	1.2	690	1.8	-	-
	Jacques Lake ¹	13.0	630	18.0	13.0	630	18.0	-	-
	Michelin	20.6	980	44.6	20.6	980	44.6	-	-
	Nash	0.7	830	1.2	0.7	830	1.2	-	-
	Rainbow	0.8	860	1.4	0.8	860	1.4	-	-
Inferred	Gear	0.3	920	0.6	0.3	920	0.6	-	-
	Inda	3.3	670	4.8	3.3	670	4.8	-	-
	Jacques Lake ¹	3.6	550	4.4	3.6	550	4.4	-	-
	Michelin ¹	4.5	985	9.9	4.5	985	9.9	-	-
	Nash	0.5	720	0.8	0.5	720	0.8	-	-
	Rainbow	0.9	810	1.6	0.9	810	1.6	-	-
Australia									
Measured	Valhalla	16.0	820	28.9	16.0	820	28.9	-	-
Indicated	Andersons	1.4	1,450	4.6	1.4	1,450	4.6	-	-
	Bikini	5.8	495	6.3	5.8	495	6.3	-	-
	Duke Batman	0.5	1,370	1.6	0.5	1,370	1.6	-	-
	Odin	8.2	555	10.0	8.2	555	10.0	-	-
	Skal	14.3	640	20.2	14.3	640	20.2	-	-
	Valhalla	18.6	840	34.5	18.6	840	34.5	-	-
	Carley Bore ¹	5.4	420	5.0	5.4	420	5.0	-	-
Inferred	Manyingee ¹	8.4	850	15.7	8.4	850	15.7	-	-
	Andersons	0.1	1,640	0.4	0.1	1,640	0.4	-	-
	Bikini	6.7	490	7.3	6.7	490	7.3	-	-
	Duke Batman	0.3	1,100	0.7	0.3	1,100	0.7	-	-
	Honey Pot	2.6	700	4.0	2.6	700	4.0	-	-
	Mirrioola	2.0	560	2.5	2.0	560	2.5	-	-
	Odin	5.8	590	7.6	5.8	590	7.6	-	-
	Skal	1.4	520	1.6	1.4	520	1.6	-	-
	Valhalla	9.1	640	12.8	9.1	640	12.8	-	-
	Watta	5.6	400	5.0	5.6	400	5.0	-	-
	Warwai	0.4	360	0.3	0.4	360	0.3	-	-
Carley Bore ¹	17.4	280	10.6	17.4	280	10.6	-	-	
Manyingee	5.4	850	10.2	5.4	850	10.2	-	-	

¹ JORC Code (2012) compliant

For personal use only

Ore Reserves and Mineral Resources (continued)



Vanadium Mineral Resources		30 June 2021			30 June 2020			Change	
		Mt	Grade		Mt	Grade		Mt	Mlb V ₂ O ₅
			ppm V ₂ O ₅	Mlb V ₂ O ₅		ppm V ₂ O ₅	Mlb V ₂ O ₅		
Namibia									
Measured	Langer Heinrich ¹								
In-situ		66.2	160	23.3	66.2	160	23.3	-	
MG ROM stockpiles		4.7	170	1.8	4.7	170	1.8	-	
LG ROM stockpiles		26.1	105	6.0	26.1	105	6.0	-	
Total Measured		97.0	145	31.1	97.0	145	31.1	-	
Indicated									
In-situ		18.8	140	5.8	18.8	140	5.8	-	
Inferred									
In-situ		6.3	135	1.9	6.3	135	1.9	-	

Uranium Ore Reserves		30 June 2021			30 June 2020			Change	
		Mt	Grade		Mt	Grade		Mt	Mlb U ₃ O ₈
			ppm U ₃ O ₈	Mlb U ₃ O ₈		ppm U ₃ O ₈	Mlb U ₃ O ₈		
Namibia									
Proven	Langer Heinrich ¹								
		42.0	525	48.5	42.0	525	48.5	-	
Probable		13.1	485	14.0	13.1	485	14.0	-	
Stockpiles		30.8	355	24.0	30.8	355	24.0	-	

Figures may not add due to rounding. Mineral Resources and Ore Reserves quoted on a 100% basis.

All the Company's Mineral Resources and Ore Reserves are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Should any Mineral Resources or Ore Reserves be utilised within a Bankable or Definitive Feasibility Study, it is expected that an audit by independent experts would be conducted.

The information above relating to exploration, Mineral Resources and ore reserves is, except where stated, based on information compiled by David Princep B.Sc P.Geo FAusIMM(CP) who is an independent consultant and who is a member 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/she is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Princep consents to the inclusion of this information in the form and context in which it appears.

¹ JORC Code (2012) compliant

For personal use only



SUSTAINABILITY

Paladin is committed to the core principle of delivering value through sustainable development.

Our Paladin Values, Integrity, Respect, Courage and Community, support every decision we take, and we proactively uphold key operating responsibilities to ensure we are considered and transparent in all we do.

With these strong foundations, we can focus on achieving economic, social and environmental sustainability in balanced and successful ways for all stakeholders. Paladin recognises it has a key role to play in reducing global carbon emissions as a fuel supplier to the Nuclear Power industry.

During FY2020 the Company restated its Sustainability Commitments:

Health, Safety and Wellbeing

We put the health, safety and wellbeing of our workforce and all stakeholders at the forefront, with a positive culture of safety that underpins all our decisions and actions.

People and Opportunity

We value and respect all our people as central to what we do, embracing diversity and promoting equal opportunities to thrive and be recognised.

Community and Social Investment

We engage positively with local communities, actively listening and contributing to their social prosperity and development with integrity.

Environmental Stewardship

We protect the environment and work to minimise our impacts on it, achieving continuous improvements in sustainability practices and committing to support emission reductions to achieve the goals of the Paris Agreement on climate change.

A copy of Paladin's 2020 Sustainability Report can be found on the Company's website paladinenergy.com.au. The Company will release its 2021 Sustainability Report in October 2021.



CORPORATE GOVERNANCE FRAMEWORK

The Board of directors of Paladin Energy Ltd recognises the importance of its corporate governance framework in establishing accountabilities, guiding and regulating activities, monitoring and managing risks and optimising Paladin's performance. Paladin, as a listed entity, must comply with the *Corporations Act 2001* (Cth), Australian Securities Exchange Listing Rules (**ASX LR**) and other Australian and international laws.

Paladin reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and best practice. Paladin's website www.paladinenergy.com.au includes copies or summaries of key corporate governance policy documents. The website also contains copies of all Board and Committee Charters.

Paladin's Corporate Governance Statement, dated 30 June 2021 and approved by the Board on 26 August 2021, outlines the key governance principles and practices of the Company which, taken as a whole, sets out the Company's governance framework. In accordance with ASX Listing Rule 4.10.03 the Corporate Governance Statement is aligned with the fourth edition Corporate Governance Principals and Recommendations published by the ASX Corporate Governance Council in February 2019. Paladin's Corporate Governance Statement can be found in the Corporate Governance section of the Investor Centre on its website at www.paladinenergy.com.au, along with the ASX Appendix 4G, a checklist cross-referencing the ASX Principles and Recommendations to disclosures in this statement and the current Annual Financial Report. The Corporate Governance Statement, together with the Appendix 4G, has been lodged with the ASX.

For personal use only



The Directors of Paladin Energy Ltd present their report together with the financial report of the Group consisting of Paladin Energy Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2021 and the auditor's report.

During the year, Paladin appointed two new non-executive directors to provide additional experience and resources in order to maintain the highest standards of governance. The Company has previously announced the following changes to the Board of Directors:

- Ms Melissa Holzberger appointed Non-Executive Director (13 May 2021)
- Ms Joanne Palmer appointed Non-Executive Director (13 May 2021)

Ms Holzberger has extensive executive and non-executive experience in legal, governance and compliance roles and Ms Palmer has experience within audit and financial services which will broaden the Board's experience and expertise.

DIRECTORS

The following persons were Directors of Paladin Energy Ltd and were in office for the period stated:

Mr Cliff Lawrenson *B.Com (Hons)*
(Non-Executive Chairman)

Mr Lawrenson is an experienced non-executive director having served on or chaired public and private companies for over 15 years after a successful career in executive leadership, including in investment banking. Mr Lawrenson holds postgraduate qualifications in commerce and finance and has worked extensively in the resources and energy sectors, across the world. He has a successful track record of leading strategic direction in companies and executing complex corporate transactions.

Special Responsibilities

Member of Audit & Risk Committee

Chairman of Remuneration, Nomination & Governance Committee

Current listed company Directorships: Australian Vanadium Limited, Caspin Resources Ltd and Canyon Resources Ltd
Former listed company Directorships (last three years): Atlas Iron Limited

Mr Peter Watson *B Eng (Hons), FIEAust, GAICD, RPEQ*
(Non-Executive Director)

Mr Peter Watson is a chemical engineer with more than 35 years' experience in the global resources sector across senior technical, project, and management roles as well as corporate experience in running ASX listed companies. His experience includes project development, project delivery, asset optimisation and mining facilities operations across multiple commodities and global jurisdictions, including Africa. Mr Watson has held technical and senior executive roles with a number of companies, culminating in his appointment as the MD & CEO of Sedgman Limited. Mr Watson has also held a number of senior and directorship roles at Strandline Resources Ltd, Sedgman Limited, New Century Resources, Resource Generation and EvacGroup (private), bringing significant board level experience at both the public and wholly owned company level, particularly on matters covering project development and delivery, operations re-start, safety, governance, financial reporting, risk management, strategy and leadership.

Special Responsibilities

Member of Audit & Risk Committee

Member of Remuneration, Nomination & Governance Committee

Chairman of Technical & Sustainability Committee

Current listed company Directorships: Strandline Resources Ltd and New Century Resources Ltd.

Former listed company Directorships (last three years): Resource Generation Ltd and Evacuation Services Australia Pty Limited

Directors' Report (continued)



Mr Peter Main B Bus.
(Non-Executive Director)

Mr Peter Main is a mining and finance professional with extensive experience spanning more than 30 years. During that time, Mr Main has developed an extensive working knowledge in financial markets centred around the mining sector developing a wealth of industry experience. During his career Mr Main has spent 13 years in a variety of roles in the mining industry through to CEO in the later years of a TSX-V listed mining company, obtaining diverse experience across most facets of the industry. He spent 20 years in finance, more recently in an advisory capacity to the mining and finance industries. Mr Main primarily worked for investment banks, including 11 years managing the Royal Bank of Canada's (RBC) Australian equity sales and trading business and co-managing RBC's regional business. Prior to that Mr Main spent six years at Hartley Poynton as a mining analyst and almost nine years full time service in the Australian Army.

Special Responsibilities

Chairman of Audit & Risk Committee

Member of Remuneration, Nomination & Governance Committee

Current listed company Directorships: Carbine Resources Limited

Former listed company Directorships (last three years): Rizal Resources

Ms Melissa Holzberger *LLM Resources Law (Distinction) (Scotland), Dip. International Nuclear Law (Hons) (France), LLB (Adel), BA (Adel), GDLP, FGIA, GAICD (appointed 13 May 2021)*
(Non-Executive Director)

Ms Melissa Holzberger is a commercial and mining lawyer with over 20 years' experience in the energy and resources sector, including the uranium industry. She is an experienced company director having served on ASX-listed, public, government and not-for-profit boards spanning a wide range of sectors. She brings legal, risk, compliance, corporate ethics and corporate governance expertise, together with valuable experience in uranium mining operations and projects, international trade, logistics, product stewardship and sustainability having previously worked for both BHP and Rio Tinto. Ms Holzberger is a member of the Federal Government's Australian Radiation Protection and Nuclear Safety Agency's Radiation Health and Safety Advisory Council and founding Principal of Sloan Holzberger Lawyers.

Current listed company Directorships: Silex Systems Limited

Ms Joanne Palmer *RCA, FCA (ICAEW), FCA (ICAA), GAICD, BSc Hons Mathematics & Statistics (appointed 13 May 2021)*
(Non-Executive Director)

Ms Joanne Palmer is a Registered Company Auditor and a Fellow of Chartered Accountants in Australia, England and Wales. Ms Palmer is currently an Executive Director of Pitcher Partners in Perth. Ms Palmer brings over 25 years of industry experience providing audit and assurance services on company listings, mergers, acquisitions and takeovers and significant experience in auditing international mining companies. Ms Palmer is a council member of the Association of Mining & Exploration Companies (AMEC).

Ms Palmer has had an extensive financial services career including leading Ernst and Young's Financial Accounting Advisory Services team in Perth, working predominantly in the mining sector assisting both multinational companies, mid-caps and junior explorers with technical accounting, regulatory advice and finance function support services.

Current listed company Directorships: None

CHIEF EXECUTIVE OFFICER

Mr Ian Purdy *BCom, FCA, FAICD*
(Chief Executive Officer)

Mr Purdy is a highly respected executive with more than three decades' experience within Australian and international natural resources companies. In his time as a CEO and CFO of listed and private companies, Mr Purdy has delivered significant shareholder value through managing and optimising operations, delivering large projects and executing on business improvements and asset sales. He also has extensive capital markets experience and a proven track record of delivering company funding requirements.

Mr Purdy was previously the CFO of Quadrant Energy, Managing Director and CEO of Mirabela Nickel Limited, Managing Director of Norilsk Nickel Australia, Director of Finance and Strategy of LionOre Australia, and has held senior finance and commercial roles at North Limited and WMC Limited.

For personal use only

Directors' Report (continued)



COMPANY SECRETARY

Mr Nathan Bartrop BCom, LLB, FGIA, FCG (appointed 26 February 2021)
(Company Secretary)

Mr Bartrop is a corporate governance professional (Chartered Secretary) with over 10 years' experience in ASX Listing Rules compliance, corporate advisory and corporate governance.

Mr Bartrop has assisted numerous listed and dual listed entities across a wide range of industries as Company Secretary. During his career Mr Bartrop has also worked as an ASX listings compliance adviser at ASX in Perth and Sydney, where he was actively involved in the new listing of companies on the ASX and advising listed entities on their compliance with ASX listing rules. He is a Fellow and WA State Council member of the Governance Institute of Australia.

Ms Andrea Betti CA, AGIA, BCom, MBA (resigned 26 February 2021)
(Joint Company Secretary)

Ms Betti is an accounting and corporate governance professional with over 20 years' experience in accounting, corporate governance, corporate advisory, finance and corporate banking. Ms Betti has acted as Chief Financial Officer and Company Secretary for companies in the private and publicly listed sectors, as well as senior executive roles in the banking and finance industry.

Mr Ranko Matic (resigned 26 February 2021)
(Joint Company Secretary)

Mr Matic is a Chartered Accountant with over 25 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic serves as a Non-Executive Director and Company Secretary for a number of publicly listed natural resources companies.

BOARD AND COMMITTEE MEETINGS

The number of Directors' meetings and meetings of committees held during the financial year, and the number of meetings attended by each Director in the period they held office were:

Name	Board of Directors		Audit and Risk Committee		Technical & Sustainability ¹		Remuneration, Nomination & Governance Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Cliff Lawrenson	6	6	4	4	2 ²	4	2	2
Mr Peter Watson	6	6	4	4	4	4	2	2
Mr Peter Main	6	6	4	4	2 ²	4	2	2
Ms Melissa Holzberger	1	1	1 ²	1	1 ²	1	-	-
Ms Joanne Palmer	1	1	1 ²	1	1 ²	1	-	-

¹ Committee changed its name to Technical & Sustainability in February 2021

² Indicates that a Director attended some or all meetings by invitation whilst not being a member of a specific committee

For personal use only



PRINCIPAL ACTIVITY

The principal activity of the Group was the development and operation of the Langer Heinrich Mine in Namibia, together with exploration and evaluation activities in Australia and Canada.

REVIEW AND RESULTS OF OPERATIONS

A detailed operational and financial review of the Group is set out on pages 8 to 10 of this report under the section entitled Operating and Financial Review.

The Group's loss after tax from continuing operations for the year is US\$58,258,000 (2020: loss after tax US\$46,051,000) representing an increase of 27% from the previous year.

DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

Capital Raising

In April 2021, Paladin successfully completed an equity raise by way of a fully underwritten pro-rata accelerated non-renounceable entitlement offer and institutional placement, to raise A\$218.7M. The fully underwritten A\$218.7M equity raise comprised:

- An institutional placement of 347.3M new fully paid ordinary shares in Paladin to raise A\$128.5M (Placement); and
- A 1 for 8.5 pro-rata accelerated non-renounceable entitlement offer of 243.7M new shares to raise A\$90.2M (Entitlement Offer)

All new shares were issued at a price of A\$0.37 per new share under the equity raise.

Cancellation of Senior Secured Notes

On 12 May 2021, Paladin completed the cancellation of all the US\$115M Senior Notes that were repayable in January 2023.

Commenced trading on U.S. based OTCQX Market

On 2 June 2021, Paladin commenced trading on the OTCQX market. The OTCQX is the top market tier operated by OTC Market Group, Inc. in New York, on which over 11,000 U.S. and global securities trade. This allows for greater access to retail and small institutional investors, with investors being able to trade and settle in U.S. hours and U.S. dollars, allowing for greater visibility and accessibility of the Company.

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS

On 13 May 2021, Paladin appointed Ms Melissa Holzberger and Ms Joanne Palmer as Non-Executive Directors.

APPOINTMENT OF THREE NEW EXECUTIVES

On 12 October 2020 Mr Jonathon Clements was appointed General Manager Projects and Development. On 28 June 2021, Paladin announced the appointed Mr Jess Oram as General Manager Exploration and Mr Alex Rybak as General Manager Business Development & Marketing effective from 19 July 2021.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Since the end of the financial year, 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.

For personal use only



LIKELY DEVELOPMENTS

Likely developments in the operations of the Group are set out under the section entitled Operating and Financial Review.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulation in respect to its exploration, evaluation, development and operational activities for uranium projects under the laws of the countries in which its activities are conducted. The Group currently has a mining and processing operation in Namibia (on care and maintenance due to current uranium market conditions), as well as exploration projects in Australia, and Canada. The Group's Policy is to ensure compliance with all applicable environmental laws and regulations in the countries in which it conducts business.

Specific environmental regulations, approvals and licenses for the exploration, development and operation are required to conduct the activities at each site. In addition, many other international and industry standards are also applied to the Group's activities, including those specified for the global uranium industry. These environmental laws, regulations and standards relate to environmental factors such as radiation, water, flora, fauna, air quality, noise, waste management and pollution control.

The Directors are not aware of any environmental matters which would have a significant adverse effect on the Group.

REMUNERATION FOR THE YEAR AT A GLANCE

Executive Remuneration – cash value of earnings realised (unaudited)

Details of the remuneration received by the Key Management Personnel (KMP) are prepared in accordance with statutory requirements and Accounting Standards and are detailed further in the Remuneration Report.

In keeping with Paladin's practice since 2011, the tables below set out the cash value of earnings realised by the CEO and other executives considered to represent KMP for FY2020 and FY2021 and the intrinsic value of share-based payments that vested to KMP during the period. In FY2021 shares issued upon the vesting of Performance Rights during the year are subject to a 12-month voluntary escrow with a holding lock in place from the date of issue and have therefore not been disclosed in the tables below. This voluntary disclosure is in addition and different to the disclosures required by the Corporations Act and Accounting Standards, particularly in relation to performance and share rights. As a general principle, the Accounting Standards require a value to be placed on performance and share rights based on probabilistic calculations at the time of grant, which may be reflected in the remuneration report even if ultimately the rights do not vest because vesting conditions are not met. By contrast, this table discloses the intrinsic value of rights, which represents only those rights which actually vested and resulted in shares issued to a KMP. The intrinsic value is Paladin's closing share price on the date of vesting.

Paladin believes that this additional information is useful to investors as recognised by the 2009 Productivity Commission Inquiry Report '*Executive Remuneration in Australia*'. The Commission recommended that remuneration reports should include actual levels of remuneration received by the individuals named in the report in order to increase its usefulness to investors.

The cash value of earnings realised include cash salary and fees, superannuation, cash bonuses and other benefits received in cash during the year and the intrinsic value of long-term incentives vesting during FY2021. The tables do not include the accounting value for performance rights and share appreciation rights granted in the current and prior years, as this value may or may not be realised as they are dependent on the achievement of certain performance hurdles. The accounting value of other long-term benefits which were not received in cash during the year have also been excluded.

The Company is undergoing a comprehensive review of its executive remuneration policy and practice which is being conducted by an independent remuneration specialist. The review is centred on strengthening the alignment between variable remuneration outcomes and the shareholder experience. The focus of the review is to better ensure that the Company's executive remuneration structure is adaptable and more directly aligns to and supports the company's business strategy and goals.

Directors' Report (continued)



REMUNERATION FOR THE YEAR AT A GLANCE (CONTINUED)

Executive Remuneration - cash value of earnings realised (unaudited) (continued)

All cash remuneration is paid in Australian dollars to those parties listed below, therefore the tables are presented in both A\$ and US\$ (being the functional and presentation currency of Paladin). The detailed schedules of remuneration presented later in this report are presented in US\$.

2021 (A\$) / (US\$)

Name	Base Salary & Superannuation		Other		Total Cash	
	A\$	US\$	A\$	US\$	A\$	US\$
Mr Ian Purdy	521,694	389,219	-	-	521,694	389,219
Ms Anna Sudlow	320,000	238,742	2,286	1,706	322,286	240,448
Mr Jonathon Clements ¹	232,399	173,386	-	-	232,399	173,386
Mr Michael Drake ²	44,366	33,100	-	-	44,366	33,100
Total	1,118,459	834,447	2,286	1,706	1,120,745	836,153

Refer to the Compensation of KMP table later in the Remuneration Report for audited information required in accordance with the Corporations Act 2001 and its Regulations.

Exchange rate used is average for 2021 financial year US\$1 = A\$1.34036.

Shares issued upon the vesting of Performance Rights during the year are subject to a 12-month voluntary escrow with a holding lock in place from the date of issue and have therefore not been disclosed in the table above.

2020 (A\$) / (US\$)

Name	Base Salary & Superannuation		Other		Total Cash	
	A\$	US\$	A\$	US\$	A\$	US\$
Mr Ian Purdy ³	214,649	143,969	-	-	214,649	143,969
Ms Anna Sudlow	320,124	214,713	-	-	320,124	214,713
Mr Scott Sullivan ⁴	310,847	208,491	266,056 ⁵	178,448 ⁵	576,903	386,939
Mr Michael Drake ⁶	363,207	243,609	159,919 ⁵	107,261 ⁵	523,126	350,870
Mr Craig Barnes ⁷	151,356	101,517	-	-	151,356	101,517
Total	1,360,183	912,299	425,975	285,709	1,786,158	1,198,008

Refer to the Compensation of Key Management Personnel table later in the Remuneration Report for audited information required in accordance with the Corporations Act 2001 and its Regulations.

Exchange rate used is average for 2020 financial year US\$1 = A\$1.49094.

¹ Appointed 12 October 2020.

² Resigned 3 July 2020

³ Appointed 4 February 2020.

⁴ Ceased employment 3 March 2020

⁵ Ex gratia termination payment plus payment in lieu of notice.

⁶ Resigned 3 July 2020

⁷ Resigned 9 August 2019



REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations. For the purposes of this report, KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director, whether executive or otherwise, of the parent company.

Over the year, Paladin made significant changes to its Board and Executive Management Team to provide the technical and commercial skill set necessary to lead the Company going forward. The decision to restructure the board was made following discussions with and feedback received from shareholders.

Key Management Personnel comprise:

- Mr Cliff Lawrenson, Non-Executive Chairman
- Mr Peter Watson, Non-Executive Director
- Mr Peter Main, Non-Executive Director
- Ms Melissa Holzberger, Non-Executive Director (*appointed 13 May 2021*)
- Ms Joanne Palmer, Non-Executive Director (*appointed 13 May 2021*)
- Mr Ian Purdy, Chief Executive Officer
- Ms Anna Sudlow, Chief Financial Officer
- Mr Jonathon Clements, General Manager – Projects & Development (*appointed 12 October 2020*)
- Mr Michael Drake, Chief Operating Officer (*resigned 3 July 2020*)

For the purposes of this report, the term Executive encompasses the CEO and senior executives of the Group.

REMUNERATION APPROVAL PROCESS

The Remuneration, Nomination and Governance Committee is charged with assisting the Board by reviewing and making appropriate recommendations on remuneration packages for the KMP. In addition, it makes recommendations on long-term incentive plans and associated performance hurdles together with the quantum of grants made, taking into account both the individual's and Paladin's performance.

The Remuneration, Nomination & Governance Committee, chaired by Mr Cliff Lawrenson, held two meetings during the year. Messrs Watson and Main are also Committee members. The CEO is invited to attend those meetings which consider the remuneration strategy of the Group and recommendations in relation to KMP.

The Committee approves the quantum of any short-term incentive bonus pool and the total number of any long-term incentive grants to be made and recommends the same for approval by the Board. The remuneration for the CEO is determined by the Remuneration, Nomination & Governance Committee.

KEY ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION STRATEGY

The overall focus of Paladin's remuneration strategy is to:

- Provide competitive and fair reward;
- Be flexible and responsive in line with market expectations;
- Align executive interests with those of Paladin's shareholders; and
- Comply with applicable legal requirements and appropriate standards of governance.

The above strategies also recognise the financial position of the Group given the low prevailing uranium prices. This strategy applies group wide for all employees.

The overall level of compensation takes into account Paladin's earnings and growth in shareholder wealth, together with the achievement of strategic goals but must also reflect current economic conditions. Consideration of Paladin's earnings will be more relevant as Paladin moves from care and maintenance, to restart and profitability, which is highly dependent on prevailing uranium prices.



REMUNERATION REPORT (AUDITED) (CONTINUED)

KEY ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION STRATEGY (CONTINUED)

The Board is cognisant of general shareholder preference that long-term equity-based remuneration be linked to Paladin's performance and growth in shareholder value. Performance and Share Appreciation Rights (PRs and SARs) issued under the Long-Term Incentive (LTI) programme usually have a one to three-year performance period. These will therefore only vest at the end of a one to three-year period. This promotes a focus on long-term performance as the value of the PRs or SARs is linked to the ongoing performance of Paladin. This period represents an appropriate balance between providing a genuine and foreseeable incentive to KMP and fostering a long-term alignment to shareholder interests. If a KMP resigns during this period, they will ordinarily forfeit their PRs and SARs.

The table below compares the earnings per share to the closing share price for Paladin's five most recently completed financial years.

	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
(Loss)/profit for the year attributable to members of the parent (US\$'000)	(457,785)	367,762	(30,345)	(79,866)	(43,983)
EPS continuing operations (US cents)	(26.7)	21.5	(1.7)	(1.7)	(2.0)
Share Price (A\$)	A\$0.047 ¹	A\$0.175	A\$0.125	A\$0.10	A\$0.515
Increase/(decrease) in share price	(75)%	272%	(29)%	(20)%	415%
Dividend payment (US\$'000)	-	-	-	-	-

The remuneration structure for the Key Management Personnel has two elements:

- Fixed remuneration; and
- Long-term incentives.

COMPONENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION

These are detailed as follows:

Remuneration Component	Elements	Details
Fixed Remuneration	Annual base salary determined as at 1 July each year	The 'not at risk' cash component which may include certain salary sacrifice packaging.
	Statutory superannuation contributions	Statutory % of base salary.
Variable Performance Linked Remuneration ("at risk" remuneration)	Long-term incentive, granted under the Rights Plan	Award determined based on individual performance and contribution and Paladin's performance. Vesting dependent on creation of shareholder value together with a retention element.

Fixed Remuneration

This is reviewed annually with consideration given to both Paladin's and the individual's performance and effectiveness. Market data, focused on the mining industry, is analysed with a focus on maintaining parity or above with companies of similar complexity and size operating in the resources sector and becoming an employer of choice. Paladin did not engage remuneration consultants during the year.

¹ The securities of Paladin were suspended from official quotation, at the request of Paladin, on 13 June 2017 and were reinstated on 16 February 2018.

For personal use only



REMUNERATION REPORT (AUDITED) (CONTINUED)

COMPONENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Variable Performance Linked Remuneration

Long-Term Incentives

Paladin believes that encouraging its KMPs to become shareholders is the best way of aligning their interests with those of its shareholders. In 2009, Paladin implemented an Employee Performance Share Rights Plan (the 2009 Employee Share Rights Plan) together with a Contractor Performance Share Rights Plan (the Contractor Rights Plan). These plans are referred to jointly as the Rights Plans and were reaffirmed by shareholders at the 2018 Annual General Meeting. The Plan terms were amended at the 2020 Annual General Meeting (2020 Employee Share Rights Plan).

The Rights Plans are long-term incentive plans aimed at advancing the interests of Paladin by creating a stronger link between employee performance and reward and increasing shareholder value by enabling participants to have a greater involvement with, and share in, the future growth and profitability of Paladin. They are an important tool in assisting to attract and retain talented people.

Performance Rights (PRs)

PRs were issued to the CEO, CFO, GM – Projects & Development and Non-Executive Directors under the 2009 Employee Share Rights Plan in order to provide an equity based component to their respective remuneration packages.

Each PR that vests will automatically entitle the holder to be issued with one share.

The PRs have been issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a PR. The holder of any Shares issued on the vesting of the PRs will generally be restricted from selling, transferring or otherwise disposing of the Shares for a period ending 12 months after the date that the relevant vesting condition was satisfied. The PRs vesting hurdles were A\$0.20, A\$0.30, A\$0.40 and A\$0.50.

Any PRs that have not vested on or before the date that is five years after the date of the issue will automatically lapse and become incapable of vesting into Shares.

The number of performance rights able to be issued under the Plans is limited to 5% of the issued capital.

A summary of PRs held by KMPs is on page 27.

Share Appreciation Rights (SARs)

SARs were granted under the 2009 Employee Share Rights Plan for no consideration. SARs are a right to receive a bonus equal to the appreciation in Paladin's share price over a period. SARs benefit the holder with an increase in share price; the holder is not required to pay the exercise price, but rather just receives the amount of the value increase in shares. The number of ordinary shares ultimately issuable upon vesting of the SARs will vary as the number of ordinary shares to be issued is based upon Paladin's relative share price growth over the relevant vesting periods.

The number of share rights able to be issued under the Plans is limited to 5% of the issued capital. The 5% limit includes incentive grants under all plans made in the previous five years (with certain exclusions under the Australian corporate legislation).

Paladin does not offer any loan facilities to KMPs.

A summary of SARs held by KMPs is on page 27.



REMUNERATION REPORT (AUDITED) (CONTINUED)

COMPONENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Variable Performance Linked Remuneration (continued)

Shares Acquired Under the Rights Plan

Shares to be allocated to participants on vesting are currently issued from equity. No consideration is paid on the vesting of the share rights and resultant shares carry full dividend and voting rights.

Change of Control

The Board has the discretion to vest PR and SARS issued under the 2009 Employee Share Rights Plan upon a change of control event. In exercising any such discretion the Board may take into account the number of SARs to be vested upon a change of control relative to the total shares on issue.

Cessation of Employment

Under the 2009 Employee Share Rights Plan, all PRs and SARs that have not vested will be forfeited on cessation of employment, unless special circumstances exist such as retirement, total and permanent disability, redundancy or death.

Performance Rights of KMPs (excluding Non-Executive Directors) at 30 June 2021 - Nil

All Performance Rights granted to KMPs vested during the year.

Performance Rights of KMPs (excluding Non-Executive Directors) at 30 June 2020

Date granted	Expiry date	Fair value	Vesting price	Number
5 February 2020	5 February 2025	A\$0.038	A\$0.20	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.30	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.40	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.50	6,250,000
30 April 2020	12 June 2025	A\$0.05	A\$0.20	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.30	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.40	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.50	2,500,000
Total				35,000,000

Share Appreciation Rights of KMPs (excluding Non-Executive Directors) at 30 June 2021

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
1 July 2019	1 July 2020	1 July 2025	A\$0.05	A\$0.1226	700,000
1 July 2019	1 July 2021	1 July 2026	A\$0.06	A\$0.1226	700,000
1 July 2019	1 July 2022	1 July 2027	A\$0.07	A\$0.1226	1,100,000
Total					2,500,000

In summary, this balance represents 0.09% of the issued capital.

Share Appreciation Rights of KMPs (excluding Non-Executive Directors) at 30 June 2020

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
11 February 2019	1 March 2020	1 March 2025	A\$0.05	A\$0.20	700,000 ¹
11 February 2019	1 March 2021	1 March 2026	A\$0.07	A\$0.20	700,000 ¹
11 February 2019	1 March 2022	1 March 2027	A\$0.09	A\$0.20	1,100,000 ¹
1 July 2019	1 July 2020	1 July 2025	A\$0.05	A\$0.1226	700,000
1 July 2019	1 July 2021	1 July 2026	A\$0.06	A\$0.1226	700,000
1 July 2019	1 July 2022	1 July 2027	A\$0.07	A\$0.1226	1,100,000
Total					5,000,000

In summary, this balance represents 0.25% of the issued capital.

¹ Michael Drake – now lapsed due to resignation and were forfeited during FY2021

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

KEY ELEMENTS OF NON-EXECUTIVE DIRECTOR REMUNERATION STRATEGY

The focus of the remuneration strategy is to:

- Attract and retain talented and dedicated directors.
- Remunerate appropriately to reflect the:
 - size of Paladin;
 - the nature of its operations;
 - the time commitment required; and,
 - the responsibility the Directors carry.

The aggregate annual remuneration permitted to be paid to Non-Executive Directors is A\$1,200,000 (US\$895,282) as approved by shareholders at the 2008 annual general meeting. Fees paid for the year to 30 June 2021 total A\$267,310 (US\$199,431).

Remuneration Component	Elements	Details (per annum)
Base Fee	Must be contained within aggregate limit	Chairman A\$110,000 (US\$82,068) Non-Executive Director A\$70,000 (US\$54,225)
Superannuation	Statutory contributions are included in the fees set out above	Statutory % of fees

Performance Rights

The Board acknowledges that the granting of PRs to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations (4th Edition). However, the Board considers the issue of the PRs to be reasonable in the circumstances in order to align Non-Executive Directors' interests with that of shareholders and to provide appropriate remuneration to the Non-Executive Directors for their ongoing commitment to Paladin whilst minimising expenditure of Paladin's cash resources.

PRs were issued to Non-Executive Directors under the 2009 Employee Share Rights Plan in lieu of a portion of cash remuneration. The PRs were issued in order to provide an equity based component to their respective remuneration packages.

Share Appreciation Rights held by Non-Executive Directors at 30 June 2021 - Nil

Performance Rights held by Non-Executive Directors at 30 June 2021 - Nil

All Performance Rights granted to Non-Executive Directors vested during the year.

Performance Rights held by Non-Executive Directors at 30 June 2020

Date granted	Expiry date	Fair value	Vesting price	Number
5 February 2020	5 February 2025	A\$0.038	A\$0.20	3,500,000
5 February 2020	5 February 2025	A\$0.038	A\$0.30	3,500,000
5 February 2020	5 February 2025	A\$0.038	A\$0.40	3,500,000
5 February 2020	5 February 2025	A\$0.038	A\$0.50	3,500,000
Total				14,000,000

Other Fees/Benefits

In addition, Paladin's Constitution provides for additional compensation to be paid if any of the Directors are called upon to perform extra services or make any special exertions on behalf of Paladin or the business of Paladin. Paladin may compensate such Director in accordance with such services or exertions, and such compensation may be either in addition to or in substitution for the Directors' fees referred to above. No additional fees were paid during the year, other than the Directors' fees disclosed.

Directors are also entitled to be reimbursed for reasonable expenses incurred whilst engaged on Paladin business. There is no entitlement to compensation on termination of Non-Executive directorships. Non-Executive Directors do not earn retirement benefits, other than the statutory superannuation.

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

Compensation of Key Management Personnel of the Group for the years ended 30 June 2021 and 2020.

	Year	Short-Term Benefits			Post	Share	Total	Total	Total	Total
		Salary & Fees US\$	Other US\$	Termination Payment US\$	Employment Superannuation US\$	Based Payment Share Rights US\$	US\$	A\$	Performance Related US\$	Performance Related %
Non-Executive Directors										
Mr Cliff Lawrenson ¹	2021	82,068	-	-	-	156,417	238,485	319,655	156,417	65.6
	2020	51,106	-	-	1,271	12,304	64,681	96,436	12,304	19.0
Peter Main ²	2021	52,225	-	-	-	104,278	156,503	209,770	104,278	66.6
	2020	26,126	-	-	-	8,203	34,329	51,181	8,203	23.9
Peter Watson ²	2021	47,694	-	-	4,531	104,278	156,503	209,770	104,278	66.6
	2020	23,859	-	-	2,267	8,203	34,329	51,181	8,203	23.9
Ms Melissa Holzberger ³	2021	5,897	-	-	560	-	6,457	8,655	-	-
Ms Joanne Palmer ³	2021	5,897	-	-	560	-	6,457	8,655	-	-
Mr Rick Crabb ⁴	2020	25,522	-	-	2,425	-	27,947	41,667	-	-
Mr David Riekie ⁵	2020	21,867	-	-	2,077	-	23,944	35,699	-	-
Mr Daniel Harris ⁵	2020	23,944	-	-	-	-	23,944	35,699	-	-
Mr John Hodder ⁵	2020	23,944	-	-	-	-	23,944	35,699	-	-
Subtotal 2021		193,781	-	-	5,651	364,973	564,405	756,505	364,973	
Subtotal 2020		196,368	-	-	8,040	28,710	233,118	347,562	28,710	

¹ Appointed 29 October 2019

² Appointed 11 December 2019

³ Appointed 13 May 2021

⁴ Retired 29 October 2019

⁵ Resigned 11 December 2019

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

Compensation of Key Management Personnel of the Group for the years ended 30 June 2021 and 2020.

Year	Short-Term Benefits			Post Employment	Share Based Payment	Total	Total	Total Performance Related	Total Performance Related	
	Salary & Fees US\$	Other US\$	Termination Payment US\$	Superannuation US\$	Share Rights US\$	US\$	A\$	US\$	%	
Other Key Management Personnel										
Mr Ian Purdy ¹	2021	373,034	-	-	16,185	651,738	1,040,957	1,395,257	651,738	62.6
	2020	136,926	-	-	7,043	51,268	195,237	291,086	51,268	26.3
Ms Anna Sudlow ²	2021	222,557	1,706³	-	16,185	405,159	645,607	865,345	405,159	62.8
	2020	200,626	-	-	14,087	61,082	275,795	411,194	61,082	22.1
Mr Jonathon Clements ⁴	2021	161,247	-	-	12,139	535,677	709,063	950,399	535,677	75.5
Mr Scott Sullivan ⁵	2020	197,926	-	178,448 ⁶	10,565	(55,155)	331,784	494,670	(55,155)	-
Mr Craig Barnes ⁷	2020	97,995	-	-	3,522	-	101,517	151,356	-	-
Mr Michael Drake ⁸	2021	29,054	-	-	4,046	-	33,100	44,366	-	-
Mr Michael Drake	2020	229,522	-	107,260 ⁶	14,087	1,030	351,899	524,661	1,030	0.3
Subtotal 2021		785,892	1,706	-	48,555	1,592,574	2,428,727	3,255,367	1,592,574	
Subtotal 2020		862,995	-	285,708	49,304	58,225	1,256,232	1,872,967	58,225	
Directors & KMPs										
Total – 2021		979,673	1,706	-	54,206	1,957,547	2,993,132	4,011,872	1,957,547	
Total - 2020		1,059,363	-	285,708	57,344	86,935	1,489,350	2,220,529	86,935	

Notes to the Compensation Tables

Presentation Currency - The compensation table has been presented in US\$, Paladin's functional and presentation currency. The A\$ value has also been shown as this is considered to be the most relevant comparator between years, given that 100% of KMPs contracts for services were denominated in A\$ and this eliminates the effects of fluctuations in the US\$ and A\$ exchange rate. Exchange rate used is average for 2021 financial year US\$1 = A\$1.34036 (2020 financial year US\$1 = A\$1.49094).

¹ Appointed 4 February 2020

² Appointed 1 July 2019

³ Insurance

⁴ Appointed 12 October 2020

⁵ Ceased employment 3 March 2020

⁶ Ex gratia termination payment plus payment in lieu of notice

⁷ Resigned 9 August 2019

⁸ Resigned 3 July 2020

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

Share Appreciation Rights Holdings of Key Management Personnel (Group)

30 June 2021	01 Jul 20 number	Granted as remuneration number	Fair value at grant date US\$	Vested as shares number	Lapsed number	30 Jun 21 Number
Executives						
Ms Anna Sudlow	2,500,000	-	-	-	-	2,500,000
Mr Michael Drake ¹	2,500,000	-	-	-	(2,500,000)	-
Total	5,000,000	-	-	-	(2,500,000)	2,500,000

30 June 2020	01 Jul 19 number	Granted as remuneration number	Fair value at grant date US\$	Vested as shares number	Lapsed number	30 Jun 20 Number
Executives						
Mr Scott Sullivan	5,000,000 ²	1,000,000 ³	26,509	-	(6,000,000) ⁴	-
Mr Craig Barnes	2,329,000	-	-	-	(2,329,000) ⁵	-
Ms Anna Sudlow	-	2,500,000 ⁶	112,202	-	-	2,500,000
Mr Michael Drake ⁷	2,500,000	-	-	-	-	2,500,000 ⁸
Total	9,829,000	3,500,000	138,711	-	(8,329,000)	5,000,000

Performance Rights Holdings of Key Management Personnel (Group)

30 June 2021	01 Jul 20 number	Granted as remuneration number	Fair value at grant date US\$	Vested as shares number	Lapsed number	30 Jun 21 Number
Directors/Executives						
Mr Cliff Lawrenson	6,000,000	-	-	(6,000,000)	-	-
Mr Peter Watson	4,000,000	-	-	(4,000,000)	-	-
Mr Peter Main	4,000,000	-	-	(4,000,000)	-	-
Mr Ian Purdy	25,000,000	-	-	(25,000,000)	-	-
Ms Anna Sudlow	10,000,000	-	-	(10,000,000)	-	-
Mr Jonathon Clements	-	8,000,000 ⁹	542,710	(8,000,000)	-	-
Total	49,000,000	8,000,000	542,710	(57,000,000)	-	-

Shares are subject to a 12-month voluntary escrow with a holding lock in place from the date of issue.

¹ Resigned on 3 July 2020. Not exercised and lapsed on 3 July 2020 due to resignation.

² 1,000,000 SARs exercisable at A\$0.1775 vested on 1 July 2019 but were not exercised and have now been cancelled upon cessation on 4 February 2020.

³ Granted 1 October 2019. Fair value per right at grant date was US\$0.03. Not exercised and have now been cancelled upon cessation of employment.

⁴ Ceased employment on 3 March 2020.

⁵ Resigned on 9 August 2019. Not exercised and have now been cancelled.

⁶ Granted 1 July 2019. Fair value per right at grant date was US\$0.04.

⁷ Resigned on 3 July 2020. Not exercised and lapsed on 3 July 2020 due to resignation.

⁸ 700,000 SARs exercisable at A\$0.20 vested on 1 March 2020 but have not been exercised with 1,800,000 SARs exercisable at A\$0.20 lapsing on 3 July 2020.

⁹ Granted 8 October 2020. Fair value per right at grant date was US\$0.068.

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Rights Holdings of Key Management Personnel (Group)

30 June 2020	01 Jul 19 number	Granted as remuneration number	Fair value at grant date US\$	Vested as shares number	Lapsed number	30 Jun 20 Number
Executives						
Mr Cliff Lawrenson	-	6,000,000 ¹	153,232	-	-	6,000,000
Mr Peter Watson	-	4,000,000 ¹	102,155	-	-	4,000,000
Mr Peter Main	-	4,000,000 ¹	102,155	-	-	4,000,000
Mr Ian Purdy	-	25,000,000 ¹	638,467	-	-	25,000,000
Ms Anna Sudlow	-	10,000,000 ²	345,390	-	-	10,000,000
Total	-	49,000,000	1,341,399	-	-	49,000,000

Shares held in Paladin Energy Ltd (number)

30 June 2021	Balance 01 Jul 20	On Vesting of Rights ³	Net Change Other ⁴	Balance 30 June 21
Directors				
Mr Cliff Lawrenson	-	6,000,000	135,136 ⁴	6,135,136
Mr Peter Main	-	4,000,000	94,594 ⁴	4,094,594
Mr Peter Watson	-	4,000,000	94,594 ⁴	4,094,594
Ms Melissa Holzberger	-	-	21,743 ⁵	21,743
Ms Joanne Palmer	-	-	21,725 ⁵	21,725
Executives				
Mr Ian Purdy	-	25,000,000	675,676 ⁴	25,675,676
Ms Anna Sudlow	-	10,000,000	-	10,000,000
Mr Jonathon Clements	-	8,000,000	-	8,000,000
Total	-	57,000,000	1,043,468	58,043,468

30 June 2020	Balance 01 Jul 19	On Vesting of Rights	Net Change Other	Balance 30 June 20
Directors				
Mr Rick Crabb	219,630	-	(219,630) ⁶	-
Executives				
Mr Scott Sullivan	100,000	-	(100,000) ⁷	-
Total	319,630	-	(319,630)	-

No other KMP held shares during the year ended 30 June 2021 and 30 June 2020.

All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

¹ Granted 5 February 2020. Fair value per right at grant date was US\$0.026.

² Granted 30 April 2020. Fair value per right at grant date was US\$0.035.

³ Shares are subject to a 12-month voluntary escrow with a holding lock in place from the date of issue.

⁴ Acquisition of shares pursuant to the Paladin Energy Ltd 1 for 8.5 entitlement offer.

⁵ On market purchase.

⁶ Retired on 29 October 2019.

⁷ Ceased employment on 3 March 2020.

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

CONTRACTS FOR SERVICES

Remuneration and other terms of employment for the KMP are normally formalised in contracts for services.

All contracts with KMP may be terminated early by either party providing between three and six months written notice or providing payments in lieu of the notice period (based on fixed component of remuneration). On termination notice by Paladin, any rights that have vested, or that will vest during the notice period, will be released. Rights that have not yet vested will be forfeited.

Mr Ian Purdy, Chief Executive Officer

Term of agreement – no fixed term.

Base salary, plus statutory superannuation entitlements, of A\$500,000 (2020: A\$500,000).

Long term incentive: Mr Purdy was granted 25,000,000 Performance Rights upon appointment, under Paladin's 2009 Employee Share Rights Plan, on 5 February 2020, as follows:

Date granted	Expiry date	Fair value	Vesting price	Number
5 February 2020	5 February 2025	A\$0.038	A\$0.20	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.30	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.40	6,250,000
5 February 2020	5 February 2025	A\$0.038	A\$0.50	6,250,000
Total				25,000,000

No termination benefit is specified in the agreement.

Notice period six months.

Ms Anna Sudlow, Chief Financial Officer

Term of agreement – no fixed term.

Base salary, inclusive of superannuation of A\$320,000 (2020: A\$320,000).

Long term incentive: Ms Sudlow was issued 2,500,000 Share Appreciation Rights (SARs) on 1 July 2019 under Paladin's 2009 Employee Share Rights Plan. The SARs have an exercise price of A\$0.1226 and will vest in accordance with the following vesting conditions:

- 700,000 vested on 1 July 2020
- 700,000 will vest on 1 July 2021
- 1,100,000 will vest on 1 July 2022

Long term incentive: Ms. Sudlow was granted 10,000,000 Performance Rights, under Paladin's 2009 Employee Share Rights Plan, on 30 April 2020, as follows:

Date granted	Expiry date	Fair value	Vesting price	Number
30 April 2020	12 June 2025	A\$0.05	A\$0.20	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.30	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.40	2,500,000
30 April 2020	12 June 2025	A\$0.05	A\$0.50	2,500,000
Total				10,000,000

No termination benefit is specified in the agreement.

Notice period six months.

Directors' Report (continued)



REMUNERATION REPORT (AUDITED) (CONTINUED)

CONTRACTS FOR SERVICES (CONTINUED)

Mr Jonathon Clements, General Manager – Projects & Development (appointed 12 October 2020)

Term of agreement – no fixed term.

Base salary, plus statutory superannuation entitlements, of A\$300,000.

Long term incentive: Mr Clements was granted 8,000,000 Performance Rights, under Paladin's 2009 Employee Share Rights Plan, on 8 October 2020, as follows:

Date granted	Expiry date	Fair value	Vesting price	Number
8 October 2020	8 October 2025	A\$0.11	A\$0.20	2,000,000
8 October 2020	8 October 2025	A\$0.09	A\$0.30	2,000,000
8 October 2020	8 October 2025	A\$0.08	A\$0.40	2,000,000
8 October 2020	8 October 2025	A\$0.08	A\$0.50	2,000,000
Total				8,000,000

No termination benefit is specified in the agreement.

Notice period three months.

Remuneration for all parties referred to above includes provision of an initial and ongoing discretionary participation in Paladin's long-term incentive plans.

57,000,000 (2020: Nil) Performance Rights vested to Key Management Personnel during the year ended 30 June 2021.

700,000 (2020: 1,700,000) Share Appreciation Rights vested to Key Management Personnel during the year ended 30 June 2020.

4,543,000 (2020: Nil) Share Appreciation Rights were exercised during the year ended 30 June 2021 (None by KMPs).

Mr Michael Drake, Chief Operating Officer (resigned 3 July 2020)

Term of agreement – no fixed term.

Base salary, inclusive of superannuation of A\$330,000.

Short term incentive/bonus: up to a maximum of 40% of the total annual remuneration package, to be paid in cash or shares in Paladin (or a combination of both at Paladin's election) and determined having regard to market relativities, the performance of the Company and Mr Drake's performance.

Long term incentive: Mr Drake was issued 2,500,000 SARs on 11 February 2019 under Paladin's 2009 Employee Share Rights Plan. The SARs had an exercise price of A\$0.20 were to vest in accordance with the following vesting conditions:

- 700,000 vested on 1 March 2020
- 700,000 will vest on 1 March 2021 (now lapsed due to resignation)
- 1,100,000 will vest on 1 March 2022 (now lapsed due to resignation)

No termination benefit is specified in the agreement.

Notice period three months.



REMUNERATION REPORT (AUDITED) (CONTINUED)

TOTAL PERFORMANCE RIGHTS

No unvested Performance Rights at 30 June 2021.

TOTAL SHARE APPRECIATION RIGHTS

The outstanding balance of Share Appreciation Rights at 30 June 2021 is as follows:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 October 2015	1 November 2016	1 November 2021	A\$0.13	A\$0.20	82,500
20 October 2015	1 November 2017	1 November 2022	A\$0.13	A\$0.20	41,250
20 October 2015	1 November 2018	1 November 2023	A\$0.13	A\$0.20	41,250
20 October 2015	1 November 2016	1 November 2021	A\$0.10	A\$0.20	50,000
20 October 2015	1 November 2017	1 November 2022	A\$0.10	A\$0.20	25,000
20 October 2015	1 November 2018	1 November 2023	A\$0.10	A\$0.20	25,000
27 September 2016	11 November 2017	11 November 2022	A\$0.08	A\$0.20	92,000
27 September 2016	11 November 2018	11 November 2023	A\$0.08	A\$0.20	92,000
27 September 2016	11 November 2019	11 November 2024	A\$0.08	A\$0.20	92,000
16 April 2018	16 April 2018	16 April 2023	A\$0.17	A\$0.15	105,000
16 April 2018	16 April 2019	16 April 2024	A\$0.05	A\$0.15	52,500
16 April 2018	16 April 2020	16 April 2025	A\$0.07	A\$0.15	52,500
1 July 2019	1 July 2020	1 July 2025	A\$0.05	A\$0.1226	700,000
1 July 2019	1 July 2021	1 July 2026	A\$0.06	A\$0.1226	700,000
1 July 2019	1 July 2022	1 July 2027	A\$0.07	A\$0.1226	1,100,000
1 October 2019	1 October 2020	1 October 2025	A\$0.03	A\$0.12	105,000
1 October 2019	1 October 2021	1 October 2026	A\$0.04	A\$0.12	476,250
1 October 2019	1 October 2022	1 October 2027	A\$0.05	A\$0.12	476,250
27 October 2020	9 November 2021	10 November 2026	A\$0.13	A\$0.00	600,000
27 October 2020	9 November 2022	10 November 2027	A\$0.13	A\$0.00	600,000
14 December 2020	21 December 2021	22 December 2026	A\$0.21	A\$0.00	100,000
14 December 2020	21 December 2022	22 December 2027	A\$0.21	A\$0.00	100,000
Total					5,708,500

In summary, this balance represents 0.21% of the issued capital.

1,822,188 shares were issued on the exercise of SARs during the year ended 30 June 2021 (2020: Nil). There were no other transactions with KMPs.

End of audited Remuneration Report

DIRECTORS' INDEMNITIES

During the year Paladin has incurred premiums to insure the Directors and/or Officers for liabilities incurred as costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Paladin and or its controlled entities. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

Directors' Report (continued)



INDEMINIFICATION OF AUDITORS

To the extent permitted by law, Paladin has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The Directors of Paladin Energy Limited have not provided PricewaterhouseCoopers with any indemnities. No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year.

ROUNDING

The amounts contained in this report, the Financial Report and the Operating and Financial Review have been rounded to the nearest US\$1,000 (where rounding is applicable) under the option available to Paladin under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Paladin is an entity to which the Instrument applies.

TOTAL PERFORMANCE RIGHTS

There is no outstanding balance of Performance Rights at the date of this report.

TOTAL SHARE APPRECIATION RIGHTS

The outstanding balance of Share Appreciation Rights at the date of this report is as follows:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 October 2015	1 November 2016	1 November 2021	A\$0.13	A\$0.20	50,000
20 October 2015	1 November 2017	1 November 2022	A\$0.13	A\$0.20	25,000
20 October 2015	1 November 2018	1 November 2023	A\$0.13	A\$0.20	25,000
20 October 2015	1 November 2016	1 November 2021	A\$0.10	A\$0.20	50,000
20 October 2015	1 November 2017	1 November 2022	A\$0.10	A\$0.20	25,000
20 October 2015	1 November 2018	1 November 2023	A\$0.10	A\$0.20	25,000
27 September 2016	11 November 2017	11 November 2022	A\$0.08	A\$0.20	81,000
27 September 2016	11 November 2018	11 November 2023	A\$0.08	A\$0.20	81,000
27 September 2016	11 November 2019	11 November 2024	A\$0.08	A\$0.20	81,000
16 April 2018	16 April 2018	16 April 2023	A\$0.17	A\$0.15	105,000
16 April 2018	16 April 2019	16 April 2024	A\$0.05	A\$0.15	52,500
16 April 2018	16 April 2020	16 April 2025	A\$0.07	A\$0.15	52,500
1 July 2019	1 July 2020	1 July 2025	A\$0.05	A\$0.1226	700,000
1 July 2019	1 July 2021	1 July 2026	A\$0.06	A\$0.1226	700,000
1 July 2019	1 July 2022	1 July 2027	A\$0.07	A\$0.1226	1,100,000
1 October 2019	1 October 2020	1 October 2025	A\$0.03	A\$0.12	105,000
1 October 2019	1 October 2021	1 October 2026	A\$0.04	A\$0.12	426,250
1 October 2019	1 October 2022	1 October 2027	A\$0.05	A\$0.12	426,250
27 October 2020	9 November 2021	10 November 2026	A\$0.13	A\$0.00	600,000
27 October 2020	9 November 2022	10 November 2027	A\$0.13	A\$0.00	600,000
14 December 2020	21 December 2021	22 December 2026	A\$0.21	A\$0.00	100,000
14 December 2020	21 December 2022	22 December 2027	A\$0.21	A\$0.00	100,000
Total					5,510,500

Directors' Report (continued)



AUDITOR

PricewaterhouseCoopers were appointed auditors for Paladin by shareholders at the 2016 Annual General Meeting on 18 November 2016.

NON-AUDIT SERVICES

During the year, non-audit and assurance services were provided by Paladin's auditor, PricewaterhouseCoopers. The Directors are satisfied that the provision of non-audit and assurance services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit and assurance service provided means that auditor independence was not compromised.


Details of amounts paid or payable to PricewaterhouseCoopers can be found in Note 27.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 38 of the Financial Report.

Dated this 26th day of August 2021.

Signed in accordance with a resolution of the Directors


Cliff Lawrenson
Chairman
Perth, Western Australia

For personal use only



Auditor's Independence Declaration

As lead auditor for the audit of Paladin Energy Ltd for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Paladin Energy Ltd and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Justin Carroll'.

Justin Carroll
Partner
PricewaterhouseCoopers

Perth
26 August 2021



CONTENTS OF THE FINANCIAL REPORT

Consolidated Income Statement 40

Consolidated Statement of Comprehensive Income 41

Consolidated Statement of Financial Position 42

Consolidated Statement of Changes in Equity 43

Consolidated Statement of Cash Flows 44

Notes to the Consolidated Financial Statements 45

For personal use only

Consolidated Income Statement

For the year ended 30 June 2021



	Notes	2021 US\$'000	2020 US\$'000
Revenue			
Revenue	11	2,985	-
Cost of sales	12	(2,973)	-
Gross profit		12	-
Other income	12	2,452	10,306
Foreign exchange loss (net)	12	(3,934)	-
Administration, marketing and non-production costs	12	(24,225)	(31,477)
Loss before interest and tax		(25,695)	(21,171)
Finance costs	12	(32,412)	(24,880)
Net loss before income tax from continuing operations		(58,107)	(46,051)
Income tax expense	13	(151)	-
Net loss after tax from continuing operations		(58,258)	(46,051)
Loss after tax from discontinued operations	18	-	(46,401)
Net loss after tax		(58,258)	(92,452)
Attributable to:			
Non-controlling interests		(14,275)	(12,586)
Members of the parent		(43,983)	(79,866)
Net loss after tax		(58,258)	(92,452)
Loss per share (US cents)			
Loss after tax from operations attributable to ordinary equity holders of the Company			
- continuing operations, basic and diluted (US cents)	14	(2.0)	(1.7)
- discontinued operations, basic and diluted (US cents)	14	-	(2.4)

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2021



	Notes	2021 US\$'000	2020 US\$'000
Net loss after tax		(58,258)	(92,452)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Foreign currency translation	9	2,975	(1,254)
Revaluation of financial assets	9	8,201	2,233
Income tax on items of other comprehensive income		-	-
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Foreign currency translation attributable to non-controlling interests		-	-
Other comprehensive profit for the year, net of tax		11,176	979
Total comprehensive loss for the year		(47,082)	(91,473)
Total loss attributable to:			
Non-controlling interests		(14,275)	(12,586)
Members of the parent		(32,807)	(78,887)
		(47,082)	(91,473)

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

For personal use only

Consolidated Statement of Financial Position

As at 30 June 2021



	Notes	2021 US\$'000	2020 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	6a	30,661	34,237
Restricted cash	6b	1,000	1,000
Trade and other receivables	16	1,978	1,116
Prepayments		1,259	1,222
Inventories	17	5,123	5,132
TOTAL CURRENT ASSETS		40,021	42,707
Non-current assets			
Trade and other receivables	16	4,776	5,512
Non-current financial assets	19	12,880	4,328
Right-of-use assets		780	215
Property, plant and equipment	20	178,089	190,889
Mine development	21	16,748	18,548
Exploration and evaluation expenditure	22	99,557	93,369
Intangible assets	23	8,312	8,831
TOTAL NON-CURRENT ASSETS		321,142	321,692
TOTAL ASSETS		361,163	364,399
LIABILITIES			
Current liabilities			
Trade and other payables	24	2,262	1,544
Lease liabilities		49	215
Provisions	25	540	522
TOTAL CURRENT LIABILITIES		2,851	2,281
Non-current liabilities			
Interest bearing loans and borrowings	7	-	134,394
Other Interest bearing loans - CNNC	8	68,743	102,638
Lease liabilities		788	-
Provisions	25	42,073	32,087
TOTAL NON-CURRENT LIABILITIES		111,604	269,119
TOTAL LIABILITIES		114,455	271,400
NET ASSETS		246,708	92,999
EQUITY			
Contributed equity	9	2,489,082	2,327,789
Reserves	9	(59,354)	(70,269)
Accumulated losses		(2,146,511)	(2,104,132)
Parent interests		283,217	153,388
Non-controlling interests		(36,509)	(60,389)
TOTAL EQUITY		246,708	92,999

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021



	Contributed Equity (Note 9)	Reserves (Note 9)	Accumulated Losses	Attributable to Owners of the Parent	Non-Controlling Interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 30 June 2019	2,306,925	(71,598)	(2,025,649)	209,678	(133,040)	76,638
Loss for the period	-	-	(79,866)	(79,866)	(12,586)	(92,452)
Other comprehensive income	-	978	-	979	-	979
Total comprehensive income/(loss) for the year net of tax	-	978	(79,866)	(78,887)	(12,586)	(91,473)
Share-based payment	-	351	-	350	-	350
Capital raising	20,864	-	-	20,864	-	20,864
Sale of Paladin Africa Ltd	-	-	-	-	86,620	86,620
Earn in of 5% share of Michelin Project	-	-	1,383	1,383	(1,383)	-
Balance at 30 June 2020	2,327,789	(70,269)	(2,104,132)	153,388	(60,389)	92,999
Loss for the period	-	-	(43,983)	(43,983)	(14,275)	(58,258)
Other comprehensive income	-	11,176	-	11,176	-	11,176
Total comprehensive income/(loss) for the year net of tax	-	11,176	(43,983)	(32,807)	(14,275)	(47,082)
Share-based payment	2,355	(261)	-	2,094	-	2,094
Capital raising	158,938	-	-	158,938	-	158,938
Earn in of 5% share of Michelin Project	-	-	1,604	1,604	(1,604)	-
Transactions with owners in their capacity as owners	-	-	-	-	36,759	39,759
Balance at 30 June 2021	2,489,082	(59,354)	(2,146,511)	283,217	(36,509)	246,708

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021



	Notes	2021 US\$'000	2020 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers ¹		2,985	-
Payments to suppliers and employees ²		(9,787)	(13,628)
Exploration and evaluation expenditure		-	(4)
Other income ³		1,340	1,766
Interest received		95	435
Interest and other costs of finance paid		(47)	(47)
Tax paid		(151)	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15	(5,565)	(11,478)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(38)	(273)
Proceeds from sale of property, plant & equipment		50	39
Capitalised exploration expenditure		(1,081)	(1,014)
LHM restart study costs		(2,142)	(3,059)
Proceeds from sale of subsidiary		1,000	4,000
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,211)	(307)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		166,560	21,664
Equity fundraising costs		(7,597)	(800)
Secured Notes interest paid ⁴		(42,765)	-
Repayment of Secured Notes		(115,000)	-
Subsidiary sale consent fee to Noteholders and other selling costs		-	(1,142)
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,198	19,722
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(6,578)	7,937
Unrestricted cash and cash equivalents at the beginning of the financial year		34,237	25,360
Effects of exchange rate changes on cash and cash equivalents		3,002	940
UNRESTRICTED CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		30,661	34,237

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

¹ During FY2021 the Company participated in a spot trading opportunity.

² Includes cost of sales relating to the spot trade of US\$2,973,000.

³ During FY2021 the Company reached final settlement for litigation related to previous activities at the Kayelekera Mine in the amount of US\$1,316,000 (not related to the sale to Lotus Resources Ltd).

⁴ The Group's accounting policy is to treat interest as a finance cost.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021



BASIS OF PREPARATION	46
Note 1. Corporate Information	46
Note 2. Structure of the Financial Report	46
Note 3. Basis of Preparation	46
Note 4. Going Concern	49
SEGMENT INFORMATION	50
Note 5. Segment Information	50
CAPITAL STRUCTURE	53
Note 6a. Cash and Cash Equivalents	53
Note 6b. Restricted Cash	53
Note 7. Interest Bearing Loans and Borrowings.....	54
Note 8. Other Interest Bearing Loans - CNNC	55
Note 9. Contributed Equity and Reserves	57
Note 10. Financial Risk Management	59
PERFORMANCE FOR THE YEAR	65
Note 11. Revenue	65
Note 12. Income and Expenses	66
Note 13. Income and Other Taxes.....	67
Note 14. Earnings Per Share	69
Note 15. Reconciliation of Earnings After Income Tax to Net Cash Flow from Operating Activities	70
OPERATING ASSETS AND LIABILITIES	71
Note 16. Trade and Other Receivables.....	71
Note 17. Inventories	72
Note 18. Discontinued Operations and Assets and Liabilities Classified as held for sale.....	73
Note 19. Non Current Financial Assets.....	75
Note 20. Property, Plant and Equipment	75
Note 21. Mine Development	77
Note 22. Exploration and Evaluation Expenditure	78
Note 23. Intangible Assets	79
Note 24. Trade and Other Payables	80
Note 25. Provisions	81
OTHER NOTES	83
Note 26. Key Management Personnel	83
Note 27. Auditors' Remuneration	83
Note 28. Commitments and Contingencies	84
Note 29. Related Parties	85
Note 30. Group Information	85
Note 31. Events after the Balance Date	86
Note 32. New Accounting Standards and Interpretations	87

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



BASIS OF PREPARATION

NOTE 1. CORPORATE INFORMATION

The Financial Report of Paladin Energy Ltd (Paladin) for the year ended 30 June 2021 was authorised for issue by the Directors on 26 August 2021.

Paladin is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the ASX in Australia, with additional listings on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe; and the Namibian Stock Exchange in Africa. The Company also trades on the OTCQX market in the United States and the Munich, Berlin, Stuttgart and Frankfurt markets.

The Group's principal place of business is Level 8, 191 St Georges Terrace, Perth, Western Australia. The nature of the operations and principal activities of the Group are described in the Operating and Financial Review (unaudited) on pages 8 to 10.

NOTE 2. STRUCTURE OF THE FINANCIAL REPORT

The Notes to the Consolidated Financial Statements have been grouped into six key categories, which are summarised as follows:

Basis of Presentation

This section sets out the group's significant accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. Accounting policies determined non-significant are not included in the financial statements.

Segment Information

This section compares performance across operating segments.

Capital Structure

This section outlines how the group manages its capital and related financing costs.

Performance for the Year

This section focuses on the results and performance of the group. This covers both profitability and the resultant return to shareholders via earnings per share combined with cash generation.

Operating Assets and Liabilities

This section shows the assets used to generate the group's trading performance and the liabilities incurred as a result. Liabilities relating to the group's financing activities are addressed in the Capital Structure section.

Other Notes

This section deals with the remaining notes that do not fall into any of the other categories.

NOTE 3. BASIS OF PREPARATION

Introduction and Statement of Compliance

The Financial Report is a general-purpose Financial Report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 3. BASIS OF PREPARATION (CONTINUED)

Introduction and Statement of Compliance (continued)

The Financial Report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Financial Report has also been prepared on a historical cost basis. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Financial Report is presented in US dollars and all values are rounded to the nearest thousand dollars (US\$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Changes in Accounting Policies

Apart from the changes in accounting policies noted below, the accounting policies adopted are consistent with those disclosed in the Financial Report for the year ended 30 June 2021.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the report results of the Group.

The Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations effective from 1 July 2020. The nature and impact of each new standard and amendment is described below:

Reference	Summary	Impact
AASB 2018-7	The AASB has made amendments to AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and consequential amendments to other Australian Accounting Standards (AAS) which: i) use a consistent definition of materiality throughout AAS and the Conceptual Framework for Financial Reporting; ii) clarify when information is material; and iii) incorporate some of the guidance in AASB 101 about immaterial information.	There was no material impact on the financial statements.
ASIC Areas of Focus for 30 June 2020	In its most recent publication in June 2020, ASIC identified five areas of focus which address financial reporting under COVID-19 conditions and should be read in conjunction with ASIC's COVID-19 frequently asked questions.	There was no material impact on the following five areas: <ul style="list-style-type: none"> • Asset values • Provisions • Solvency and going concern assessments • Events occurring after year end and before completing the financial report, and • Disclosures and Operating and Financial Review (OFR).

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 3. BASIS OF PREPARATION (CONTINUED)

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Paladin Energy Ltd and its subsidiaries as at 30 June 2021 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in United States dollars (US dollars).

Transactions and Balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Translation differences on available-for-sale financial assets are included in the available-for-sale reserve.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 3. BASIS OF PREPARATION (CONTINUED)

Foreign Currency Translation (continued)

Group Companies

Some Group entities have a functional currency of US dollars which is consistent with the Group's presentational currency. For all other Group entities the functional currency has been translated into US dollars for presentation purposes. Assets and liabilities are translated using exchange rates prevailing at the balance date; revenues and expenses are translated using average exchange rates prevailing for the income statement year; and equity transactions are translated at exchange rates prevailing at the dates of transactions. The resulting difference from translation is recognised in a foreign currency translation reserve. Upon the sale of a subsidiary the Functional Currency Translation Reserve (FCTR) attributable to the parent is recycled to the Income Statement.

The functional currency of individual subsidiaries reflects their operating environment.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions in applying the group's accounting policies that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Areas involving significant estimates or judgements are:

- Estimated fair value of certain financial liabilities -Note 8

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 4. GOING CONCERN

At 30 June 2020 the Directors assessed that there was material uncertainty that may have cast significant doubt on the entity's ability to continue as a going concern. This related to the Group's ability to repay the US\$115,000,000 Senior Secured Notes with a balance, including accrued interest, of US\$134,394,000 maturing in 2023.

Paladin fully redeemed the US\$115,000,000 senior secured notes in April 2021. The senior secured notes have subsequently been cancelled and delisted and all security registrations have been discharged.

At 30 June 2021, Paladin has no corporate debt.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



SEGMENT INFORMATION

NOTE 5. SEGMENT INFORMATION

Identification of Reportable Segments

The Company has identified its operating segments to be Exploration, Namibia and Australia, on the basis of the nature of the activity and geographical location and different regulatory environments. The main segment activity in Namibia¹ is the production and sale of uranium from the mine located in this country's geographic regions. The Australian segment includes the Company's sales and marketing, corporate and administration. The Exploration² segment is focused on developing exploration and evaluation projects in Australia and Canada.

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 contained in the accounts and in the prior period.

Corporate charges comprise non-segmental expenses such as corporate office expenses. A proportion of the corporate charges are allocated to Namibia and Exploration tenements with the balance remaining in Australia.

¹ In May 2018, the Company received the consent of relevant stakeholders to place the LHM into care and maintenance and the LHM stopped presenting ore to the plant.

² In FY2021, the Company has only undertaken the work required to meet minimum tenement commitments.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 5. SEGMENT INFORMATION (CONTINUED)

Year ended 30 June 2020	Exploration US\$'000	Namibia US\$'000	Malawi US\$'000	Australia US\$'000	Consolidated US\$'000
Sales to external customers	-	-	-	-	-
Total consolidated revenue	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Other income	-	7,578	-	2,728	10,306
Other expenses	(4)	(24,274)	-	(7,199)	(31,477)
Segment loss before income tax and finance costs	(4)	(16,696)	-	(4,471)	(21,171)
Finance costs	-	(7,447)	-	(17,433)	(24,880)
Loss before income tax	(4)	(24,143)	-	(21,904)	(46,051)
Income tax expense	-	-	-	-	-
Net loss after tax from continuing operations	(4)	(24,143)	-	(21,904)	(46,051)
Loss after tax from discontinued operations	-	-	(46,401)	-	(46,401)
Net loss after tax	(4)	(24,143)	(46,401)	(21,904)	(92,452)
At 30 June 2020					
Segment assets/total assets	90,952	229,042	-	44,405 ¹	364,399
		Australia US\$'000	Canada US\$'000	Namibia US\$'000	Consolidated US\$'000
Non-current assets (excluding financial instruments) by country	68,817	28,105	220,442	317,364	
Additions to non-current assets by country					
- Property, Plant and Equipment	245	56	-	301	
- Exploration and Evaluation Expenditure	578	436	3,059	4,073	

¹ Includes US\$32,620,000 in cash and cash equivalents.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



CAPITAL STRUCTURE

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an efficient capital structure to reduce the cost of capital. Capital includes issued capital and all other equity reserves attributable to the equity holders of the parent.

In order to maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the level of return on capital and also the level of net cash/debt. The group manages funds on a group basis with all funds being drawn by the parent entity.

NOTE 6a. CASH AND CASH EQUIVALENTS

	2021	2020
	US\$'000	US\$'000
Cash at bank and on hand	3,608	5,264
Short-term bank deposits	27,053	28,973
Total cash and cash equivalents	30,661	34,237

NOTE 6b. RESTRICTED CASH

	2021	2020
	US\$'000	US\$'000
Restricted cash at bank	1,000	1,000
Total restricted cash and cash equivalents	1,000	1,000

The cash is restricted for use in respect of an environmental guarantee provided by the LHM.

Recognition and measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 7. INTEREST BEARING LOANS AND BORROWINGS

	Maturity	2021 US\$'000	2020 US\$'000
Non-Current			
Senior secured notes	2023	-	134,394
Total non-current interest bearing loans and borrowings		-	134,394
<u>Senior secured notes</u>			
Face value of senior secured notes issued		-	115,000
Equity component		-	(7,475)
Liability component on initial recognition		-	107,525
Transaction costs		-	(9,099)
Accretion expense		-	5,222
Capitalised interest		-	30,746
Liability component at 30 June		-	134,394
<u>Senior secured notes redemption</u>			
Repayment of senior secured notes issued		115,000	-
Senior secured notes redemption premium & interest paid		42,765	-
Total redemption		157,765	-

Senior loans and borrowings

Paladin fully redeemed the US\$115,000,000 senior secured notes in April 2021. The Senior Notes have subsequently been cancelled and delisted and all security registrations have been discharged.

FY2020

On 25 January 2018, as part of the effectuation of the DOCA, the Company issued US\$115,000,000 9%/10% payment in kind (PIK) toggle Senior Notes repayable on 25 January 2023. The Senior Notes were secured by the majority of the Group's assets, with the main exceptions being the Group's shares in Summit Resources Limited and the Canadian subsidiaries. Subscribers for the notes received a pro-rata allocation of 25% of the Company's issued shares. The Senior Notes were not convertible and were listed on the Singapore Stock Exchange. The underwriters of the Notes received 3% of the Company's issued shares.

PIK Interest on the Notes accrued at a rate of 10% per annum and was deferred on each interest payment date commencing on 31 March 2018. No additional Notes were issued in respect of such deferred PIK interest. Each amount of deferred PIK interest also bore interest at the rate of 10% per annum from and including the date on which the payment was deferred. However Paladin was required to pay cash interest (rather than PIK interest) at a rate of 9% per annum if (a) the operating cash flows (determined in accordance with IFRS) minus maintenance capital expenditure of Paladin and its subsidiaries (on an attributable basis) for the half-year immediately preceding such interest payment date is no less than US\$5,000,000 and (b) Paladin and its subsidiaries (on a consolidated basis) have, after giving pro forma effect to such cash interest payment, no less than US\$50,000,000 of cash and cash equivalents (net of restricted cash) as of the last day falling 15 calendar days before the relevant interest payment date (31 March and 30 September).

Paladin could also elect to pay cash interest at a rate of 9% per annum on each payment date commencing from 31 March 2018 for interest due in respect of any interest period except for the final interest period, with respect to 25%, 50%, 75% or 100% of the applicable interest payment (with the relevant balance being deferred PIK interest), even if Paladin was not required to pay cash interest. All amounts of deferred PIK interest (and any interest accrued thereon) were due and payable (in cash) when the notes were redeemed.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 7. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Fair value disclosures

Details of the fair value of the Group's interest bearing liabilities are set out in Notes 8 and 10.

Recognition and measurement

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Loans and borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

The component of Senior Notes that exhibited characteristics of debt was recognised as a liability in the Statement of Financial Position, net of transaction costs. On issue of Senior Notes, the fair value of the liability component was determined using a market rate for an equivalent non-convertible bond and this amount was carried as a liability on the amortised cost basis until extinguished on redemption. The increase in the liability due to the passage of time was recognised as a finance cost. The remainder of the proceeds was allocated to the equity component and was recognised in shareholders' equity. The carrying amount of the equity component was not remeasured in subsequent years.

NOTE 8. OTHER INTEREST BEARING LOANS - CNNC

	2021 US\$'000	2020 US\$'000
(Non-Current)		
LHU's loans from CNNC	68,743	102,638

As part of the sale of the 25% interest in Langer Heinrich Mauritius Holdings Limited (LHMHL) in 2014 to CNNC Overseas Uranium Holding Limited (CNNC), US\$96,000,000 (representing 25%) of the intercompany shareholder loans owing by Langer Heinrich Uranium (Pty) Ltd (LHU) to Paladin Finance Pty Ltd (PFPL) were assigned to CNNC under the same interest rate and conditions in place at the time.

Under the Shareholders' Agreement between CNNC, PFPL and LHMHL, each shareholder has agreed not to demand repayment of the loans without the prior written consent of the other shareholder. As neither CNNC nor PFPL can demand repayment, the repayment of the loans can be deferred. Repayment is dependent on LHU generating sufficient free cash flows to repay the loans and these loans have not been guaranteed by Paladin.

On consolidation, PFPL's 75% share of the LHU intercompany shareholder loans are eliminated against the intercompany shareholder loans receivable recorded in PFPL and therefore, they do not appear on Paladin's consolidated statement of financial position. As a result of the consolidation of 100% of LHU's assets and liabilities, LHU's shareholder loan liability to CNNC is recognised on the consolidated statement of financial position.

On 1 January 2021, two shareholder loan facility agreements were extended with revised terms. The face value of the loans remain the same. The revised terms included modifications to the term and interest rate of the loans. These revisions are considered a substantial modification under AASB9.

Under AASB9 Financial Instruments, amendments constituting a "substantial" modification of the loan terms require the original loan facilities to be "extinguished" and derecognised and new loan facilities are recognised at fair value.

The revised terms of the shareholder loans reflect a mix of fixed and floating rate interest and interest free periods and consider that the LHM is on care and maintenance and not generating revenue. The shareholders loan terms may not be reflective of market conditions for external borrowings at this time.

The future value of anticipated cash flows, based on the revised loan terms, has been derived using an income approach by discounting the revised cashflows at a rate of that the Company considers representative of an unsecured borrowing rate available in the market.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 8. OTHER INTEREST BEARING LOANS – CNNC (CONTINUED)

As a result, the book value of the total amount of the shareholder loans amounting to US\$400,438,000 (owing to the Group and CNNC at 31 December 2020) was derecognised and “new” loans recognised at a fair value of US\$247,633,000 at that date with the difference taken directly to equity as a shareholder contribution. After eliminations, the fair value of the CNNC share of the loan facilities was recognised at US\$64,432,000.

The difference between the fair value and face value of the loans has been recognised in equity and will be unwound over the term of the loans through the effective interest rate. At 30 June 2021 \$2,918,000 accretion expense had been recognised from 1 January 2021.

The effect of modification has resulted in the following balances being recognised in the LHU accounts as set out below:

Balance of shareholder loans at 30 June 2020 (at amortised cost)	US\$'000
Amount owing to PFPL (eliminated on consolidation)	291,766
Amount owing to CNNC	102,638
Total LHU shareholder loans	394,408
Balance of shareholder loans at 1 January 2021 (at fair value)	US\$'000
Amount owing to PFPL (eliminated on consolidation)	183,201
Amount owing to CNNC	64,432
Total LHU shareholder loans	247,633

There is no change in the face value of the loans which amounted to \$105,584,000 at 30 June 2021.

NOTE 9. CONTRIBUTED EQUITY AND RESERVES

Issued and Paid Up Capital

	Number of Shares		2021 US\$'000	2020 US\$'000
	2021	2020		
Ordinary shares				
Issued and fully paid	2,677,756,397	2,027,891,013	2,489,082	2,327,789

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 9. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Movements in ordinary shares on issue

Date		Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$'000
Balance 30 June 2019		1,752,084,272			2,306,925
September 2019	Share placement	262,812,641	0.115	1.46333	20,654
October 2019	Share Purchase Plan	12,994,100	0.115	1.48029	1,010
	Transaction Costs				(800)
Balance 30 June 2020		2,027,891,013			2,327,789
December 2020	SARs exercised	1,056,623	-	-	-
December 2020	Conversion of PRs	14,250,000	-	-	-
January 2021	Conversion of PRs	14,250,000	-	-	-
March 2021	Conversion of PRs	14,250,000	-	-	-
March 2021	Share placement	520,330,943	0.37	1.31480	146,427
April 2021	Institutional offer	70,712,253	0.37	1.29958	20,132
April 2021	SARs exercised	245,195	-	-	-
May 2021	Conversion of PRs	14,250,000	-	-	-
May 2021	SARs exercised	326,377	-	-	-
June 2021	SARs exercised	193,993	-	-	-
	Transfer from share-based payment reserve				2,355
	Transaction costs				(7,621)
Balance 30 June 2021		2,677,756,397			2,489,082

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 9. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Reserves	Consolidation reserve	Listed option application reserve	Share based payment reserve	Foreign currency translation reserve	Financial assets at FVOCI reserve	Premium on acquisition reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2019	48,319	137	47,952	(182,092)	-	14,086	(71,598)
Share-based payments	-	-	351	-	-	-	351
Foreign currency translation	-	-	-	(1,255)	-	-	(1,255)
Revaluation of financial assets	-	-	-	-	2,233	-	2,233
Balance at 30 June 2020	48,319	137	48,303	(183,347)	2,233	14,086	(70,269)
Share-based payments	-	-	(261)	-	-	-	(261)
Foreign currency translation	-	-	-	2,975	-	-	2,975
Revaluation of financial assets	-	-	-	-	8,201	-	8,201
Balance at 30 June 2021	48,319	137	48,042	(180,372)	10,434	14,086	(59,354)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 9. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Nature and Purpose of Reserves

Consolidation reserve

This reserve is the result of the difference between the fair value and the net assets of a reduction of interest in controlled entities where Paladin retained control.

Listed option application reserve

This reserve consists of proceeds from the issue of listed options, net of expenses of issue. These listed options expired unexercised and no restriction exists for the distribution of this reserve.

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to Directors, employees and consultants as part of their remuneration.

Financial assets at fair value in other comprehensive income

This reserve records the changes in fair value of certain investments in equity securities in Other Comprehensive Income. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Foreign currency translation reserve

This reserve is used to record exchange differences arising on translation of the group entities that do not have a functional currency of US dollars and have been translated into US dollars for presentation purposes, as described in Note 3.

Premium on acquisition reserve

This reserve represents the premium paid on the acquisition of an interest in Summit.

NOTE 10. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- Meet all its financial commitments; and
- Maintain the capacity to fund corporate growth activities.

The Group monitors its forecast financial position on a regular basis.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of the Group's business. These risks are managed under Board approved directives which underpin practices and processes. The Group's principal financial instruments comprise interest bearing debt, cash and short-term deposits and available for sale financial assets. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

Market Risk

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant Group company.

The Group's borrowings and deposits are largely denominated in both US and Australian dollars. Currently there are no foreign exchange hedge programmes in place. However, the Group finance function manages the purchase of foreign currency to meet operational requirements.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market Risk (continued)

The financial instruments exposed to movements in the Australian dollar are as follows:

	2021 US\$'000	2020 US\$'000
Financial assets		
Cash and cash equivalents	17,428	4,627
Trade and other receivables	416	321
Non-current financial assets	12,880	4,328
	30,724	9,276
Financial liabilities		
Trade and other payables	(1,097)	(813)
Net exposure	29,627	8,463

The following table summarises the sensitivity of financial instruments held at balance sheet date to movements in the exchange rate of the Australian dollar to the US dollar, with all other variables held constant. The 9% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five year period.

	IMPACT ON PROFIT/LOSS		IMPACT ON EQUITY	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Post-Tax Gain/(Loss)				
AUD/USD +9% (2020: +5%)	(2,051)	(312)	891	159
AUD/USD -9% (2020: -5%)	1,712	282	(744)	(144)

The financial instruments exposed to movements in the Namibian dollar are as follows:

	2021 US\$'000	2020 US\$'000
Financial assets		
Cash and cash equivalents	78	1,604
Trade and other receivables	38	69
	116	1,673
Financial liabilities		
Trade and other payables	(169)	(98)
Net exposure	(53)	1,575

Based on the Group's net exposure at the balance date, a reasonably possible change in the exchange rate would not have a material impact on profit or equity.

Interest Rate Risk

Interest rate risk 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 debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment.

The interest rate risk on interest-bearing liabilities is not considered to be a material risk. These loans represent the 25% of intercompany shareholder loans owing by LHU to Paladin Finance Pty Ltd (PFPL) that were assigned to CNNC upon the sale of a 25% interest in LHMHL to CNNC in 2014. These loans maintain the same conditions as the intercompany shareholder loans and have a range of fixed and floating rates. During the year, the shareholder loans were extended with revised conditions. Note 8 details the impact of the extensions. All other financial assets and liabilities in the form of receivables, investments in shares, payables and provisions, are non-interest bearing.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market Risk (continued)

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

The floating rate financial instruments exposed to interest rate movements are as follows:

	2021 US\$'000	2020 US\$'000
Financial assets		
Cash and cash equivalents – short-term	30,661	34,237
Deposit		
Restricted cash	1,000	1,000
	31,661	35,237
Financial liabilities		
Interest-bearing liabilities	(68,743)	(102,638)
Net exposure	(37,082)	(67,401)

Market Price Risk

Price risk is the risk that the Group's financial position will be adversely affected by movements in the market value of its available-for-sale financial assets.

The financial instruments exposed to movements in market value are as follows:

	2021 US\$'000	2020 US\$'000
Financial assets		
Other financial assets	12,880	4,328

The following table summarises the sensitivity of financial instruments held at balance date to movements in the market price of available-for-sale financial instruments, with all other variables held constant. The 25% sensitivity is based on reasonable possible changes, over a financial year, using the observed range of actual historical prices.

	IMPACT ON EQUITY	
	2021 US\$'000	2020 US\$'000
Post-Tax Gain/(Loss)		
Market price +25% (2020: +25%)	2,254	757
Market price -25% (2020: -25%)	(2,254)	(757)
Post-tax impact on reserve		
Market price +25% (2020: +25%)	2,254	757
Market price -25% (2020: -25%)	(2,254)	(757)

Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost effective manner. The Group finance function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. Sensitivity analysis is conducted on a range of pricing and market assumptions to ensure the Group has the ability to meet repayment commitments. This enables the Group to manage cash flows on a long-term basis and provides the flexibility to pursue a range of funding alternatives if necessary. Note 7 details the repayment obligations in respect of the amount of the facilities.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

The maturity profile of the Group's payables based on contractual undiscounted payments is as follows:

	Payables maturity analysis				
	Total	<1 year	1-2 years	2-3 years	>3 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2021					
Trade and other payables	2,262	2,262	-	-	-
LHU's loans from CNNC - principal	80,928	-	-	-	80,928
Interest payable on CNNC loans	24,656	-	-	-	24,656
Total payables	107,846	2,262	-	-	105,584
2020					
Trade and other payables	1,541	1,541	-	-	-
Loans and borrowings	115,000	-	-	115,000	-
Deferred interest	30,745	-	-	30,745	-
LHU's loans from CNNC - principal	80,928	-	-	-	80,928
Interest payable on CNNC loans	21,710	-	-	-	21,710
Total payables	249,924	1,541	-	145,745	102,638

Credit Risk

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's receivables are due from recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.

Cash and cash equivalents are also subject to the impairment requirements of AASB 9.

The maximum exposure to credit risk at the reporting date was a total of US\$38,415,000 (2020: US\$41,866,000), comprising cash and receivables.

	2021 US\$'000	2020 US\$'000
Current		
Cash and cash equivalents*	30,661	34,237
Restricted cash*	1,000	1,000
Other receivables – other entities	1,978	1,116
	33,639	36,353
Non-Current		
Other receivables – other entities	4,776	5,513
Total	38,415	41,866

* The Group's maximum deposit with a single financial institution represents 62% (2020: 77%) of cash and cash equivalents. This financial institution has a credit rating of Aa3 (2020: Aa3).

Restricted cash is held in Namibia, this financial institution has a credit rating of Ba2 (2020: Ba2).

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

	Receivables ageing analysis				
	Total	<1 year	1-2 years	2-3 years	>3 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2021					
Trade receivables	-	-	-	-	-
Other receivables	6,754	1,978	380	4,396	-
Total receivables	6,754	1,978	380	4,396	-
2020					
Trade receivables	-	-	-	-	-
Other receivables	6,629	1,116	316	1,492	3,705
Total receivables	6,629	1,116	316	1,492	3,705

The Group considers the probability of default upon the initial recognition of an asset. The Group also considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. In calculating the expected credit loss rates, the Group has applied an expected credit loss based on industry provided information.

Fair Values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as at 30 June 2021:

	2021		2020	
	Carrying amount US\$'000	Fair value US\$'000	Carrying amount US\$'000	Fair value US\$'000
Interest bearing loans and borrowings				
- Senior secured notes ¹	-	-	134,394	68,627
Total non-current	-	-	134,394	68,627

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 The fair value is calculated using quoted prices in active markets.
- Level 2 The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

¹ Paladin fully redeemed the US\$115,000,000 senior secured notes in April 2021. The senior secured notes have subsequently been cancelled and delisted and all security registrations have been discharged. Refer to note 7.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Values (continued)

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	Year ended 30 June 2021				Year ended 30 June 2020			
	(Level 1) US\$'000	(Level 2) US\$'000	(Level 3) US\$'000	Total US\$'000	(Level 1) US\$'000	(Level 2) US\$'000	(Level 3) US\$'000	Total US\$'000
Financial assets for which fair values are disclosed								
Australia listed shares	12,880	-	-	12,880	4,328	-	-	4,328
Share receivables	-	-	1,889	1,889	-	-	1,467	1,467
Cash receivables	-	-	4,364	4,364	-	-	4,623	4,623
	12,880	-	6,253	19,133	4,328	-	6,090	10,418
Financial liabilities for which fair values are disclosed								
US\$115M senior secured notes ¹	-	-	-	-	68,627	-	-	68,627
	-	-	-	-	68,627	-	-	68,627

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments is based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Capital Management

When managing capital, management's objective is to ensure adequate cash resources to meet the Company's commitments are maintained, as well as to maintain optimal returns to shareholders through ensuring the lowest cost of capital available to the entity.

The Company utilises a combination of debt and equity to provide the cash resources required. Management reviews the capital structure from time to time as appropriate.

The Group finance function is responsible for the Group's capital management, including management of 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.

¹ The fair value has been determined using a valuation technique based on the quoted market price of the notes.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital Management (continued)

	2021 US\$'000	2020 US\$'000
Debt (face value plus accrued interest) ¹	-	145,745
Less cash and cash equivalents	(30,661)	(34,237)
Net debt	(30,661)	111,508
Total equity	246,708	92,999
Total Capital	216,047	204,507
Gearing Ratio (defined as net debt/total capital)	0%	55%

PERFORMANCE FOR THE YEAR

NOTE 11. REVENUE

	2021 US\$'000	2020 US\$'000
Sale of uranium	2,985	-
Total	2,985	-

During FY2021 the Company participated in a uranium spot trading opportunity.

Recognition and Measurement

Amounts disclosed as revenue are net of duties and taxes paid. The Group's main source of revenue is the sale of uranium, however the Group is in Care and Maintenance and consequently minimal revenue is being generated. Revenue is measured based on the consideration specified in a contract with a customer. The Group's sales arrangements with its customers are pursuant to enforceable contracts that provide for the nature and timing of satisfaction of performance obligations, including payment terms and payment due dates. Each delivery is considered a separate performance obligation under the contract.

The Group recognises revenue when it transfers control over a good or service to a customer. The Group has concluded that this occurs on the delivery of the product to the customer at the converter. When uranium is delivered to converters, the converter will credit the Group's account for the volume of accepted uranium. Based on delivery terms in the sales contract with its customer, the converter will transfer the title of a contractually specified quantity of uranium to the customer's account at the converter's facility. At this point, control has been transferred and the Group recognises revenue for the uranium supply.

¹ Excludes LHU's loans from CNNC that were assigned by PFPL to CNNC and form part of CNNC's 25% interest in LHMHL as the Group views these as shareholder loans to LHU.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 12. INCOME AND EXPENSES

	2021 US\$'000	2020 US\$'000
Cost of Sales		
Inventory purchased	(2,973)	-
Total	(2,973)	-
Other Income		
Other income	2,452	2,027
Foreign exchange gain (net)	-	8,279
Total	2,452	10,306
Foreign exchange loss (net)	(3,934)	-
Administration, Marketing and Non-Production Costs		
Corporate and marketing	(3,539)	(6,695)
Corporate restructure costs	(300)	(182)
LHM mine site	(3,011)	(3,065)
LHM depreciation	(15,120)	(21,048)
LHM restructure costs	-	(84)
Other	(2,255)	(403)
Total	(24,225)	(31,477)
Finance Costs		
Senior Secured Notes	(12,019)	(13,568)
LHU's loans from CNNC	(2,946)	(4,374)
Paladin (Africa) Ltd sale consent fee to Noteholders and other selling costs	-	(1,188)
Accretion expense relating to Senior Secured Notes	(11,352)	(2,677)
Mine closure provision accretion expense	(3,128)	(3,073)
Accretion expense on shareholder loan	(2,918)	-
Lease interest expense	(2)	-
Other finance costs	(47)	-
Total	(32,412)	(24,880)
Total depreciation and amortisation expense	(15,241)	(21,107)

Recognition and Measurement

Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred including the unwinding of discounts related to mine closure provisions. When relevant, the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year.

Employee Benefits Expense	2021 US\$'000	2020 US\$'000
Wages and salaries	(3,457)	(4,368)
Defined contribution superannuation	(332)	(439)
Share-based payments	(2,094)	(340)
Other employee benefits	(561)	(438)
Total	(6,444)	(5,585)

The table above sets out personnel costs expensed during the year and are included within Administration, Marketing and Non-Production Costs within the Consolidated Income Statement.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 13. INCOME AND OTHER TAXES

	2021 US\$'000	2020 US\$'000
Income Tax Expense		
<i>Current income tax</i>		
Current income tax expense	151	-
<i>Deferred income tax</i>		
Related to the origination and reversal of temporary differences	-	-
Income tax expense reported in the Income Statement	151	-
Amounts Charged or Credited Directly to Equity		
<i>Deferred income tax related to items charged or credited directly to equity:</i>		
Fair value adjustment to CNNC Loans	(13,815)	-
Tax losses recognised to offset fair value adjustment	13,815	-
Income tax benefit reported in equity	-	-
Numerical Reconciliation of Income		
Tax Benefit to Prima Facie Tax Payable		
Loss before income tax expense from continuing operations	(58,107)	(46,051)
Tax at the Australian tax rate of 30% (2020 – 30%)	17,432	13,815
Difference in overseas tax rates	4,899	3,530
Non-deductible items	1,356	99
Under/over prior year adjustment	-	-
Tax losses utilised	-	-
Deferred tax assets on losses not recognised	(23,536)	(17,444)
Income tax expense reported in the income statement	151	-
Tax Losses	2021	2020
	US\$'000	US\$'000
Australian unused tax losses for which no deferred tax asset has been recognised ¹	(87,014)	(72,154)
Other unused tax losses for which no deferred tax asset has been recognised ²	(380,039)	(381,546)
Total unused tax losses for which no deferred tax asset has been recognised	(467,053)	(453,700)

¹ Including tax losses transferred from SRL on consolidation

² Excluding tax losses from discontinued operation

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 13. INCOME AND OTHER TAXES (CONTINUED)

	2021 US\$'000	2020 US\$'000
Deferred Income Tax		
<i>Deferred tax liabilities</i>		
Accelerated prepayment deduction for tax purposes	(110)	(58)
Accelerated depreciation for tax purposes	(70,820)	(75,984)
Exploration expenditure	(2,294)	(1,311)
Inventory / Consumables	(3,152)	(3,154)
Asset disposal	-	(407)
Other	-	(823)
Gross deferred tax liabilities	(76,376)	(81,737)
Set off of deferred tax assets	76,376	81,737
Net deferred tax liabilities	-	-
<i>Deferred tax assets</i>		
Revenue losses available for offset against future taxable income	88,293	112,670
Foreign currency balances	45,582	65,955
Interest bearing liabilities	29,269	21,322
Provisions	8,085	4,174
Other	2,750	64
Deferred tax assets not recognised	(97,603)	(122,448)
Gross deferred tax assets	76,376	81,737
Set off against deferred tax liabilities	(76,376)	(81,737)
Net deferred tax assets recognised	-	-

Paladin and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian tax law.

The net deferred tax assets recognised are in respect of revenue losses expected to be offset against future taxable income.

This benefit for tax losses will only be obtained if:

1. The Consolidated Entities derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
2. The Consolidated Entities continue to comply with the conditions for deductibility imposed by tax legislation; and
3. No changes in tax legislation adversely affect the Consolidated Entities in realising the benefit from the deductions for the losses.

Recognition and Measurement

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to integration and establishes provisions where appropriate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 13. INCOME AND OTHER TAXES (CONTINUED)

Recognition and Measurement (continued)

Deferred tax assets and liabilities are recognised using the full liability method for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTE 14. EARNINGS PER SHARE

	2021 US cents	2020 US cents
Loss per share attributable to ordinary equity holders of the Parent from continuing operations	(2.0)	(1.7)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2021 US\$'000	2020 US\$'000
Net loss attributable to ordinary equity holders of the Parent from continuing operations	(43,983)	(33,465)

	2021 Number of Shares	2020 Number of Shares
Weighted average number of ordinary shares used in calculation of basic earnings per share	2,201,765,877	1,966,201,370
Weighted average number of ordinary shares used in calculation for diluted earnings per share	2,205,415,804	1,966,201,370
Total number of securities not included in weighted average calculation due to their antidilutive nature in the current period, that could potentially dilute basic earnings per share in the future	3,649,927	-

Recognition and Measurement

Basic Earnings Per Share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Diluted earnings per share is the same as basic earnings per share in 2021 and 2020 as the number of potentially dilutive shares does not change the result of earnings per share.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 15. RECONCILIATION OF EARNINGS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	US\$'000	US\$'000
Reconciliation of Net Loss After Tax to Net Cash Flows Used in Operating Activities		
Net loss	(58,258)	(92,452)
<i>Adjustments for</i>		
Depreciation and amortisation	15,241	21,107
Sundry income	(1,015)	-
Gain on disposal of property, plant and equipment	(12)	(8)
Net exchange differences	3,525	(1,111)
Share-based payments	2,028	340
Financing costs	29,447	23,691
Accretion expense on shareholder loan	2,918	-
Loss on sale of subsidiary	-	42,540
<i>Changes in operating assets and liabilities</i>		
(Increase)/decrease in prepayments	(37)	2
Increase in trade and other receivables	(128)	(5,274)
Decrease in inventories	9	232
Increase/(decrease) in trade and other payables	700	(809)
Increase/(decrease) in provisions	17	(175)
Decrease/(increase) in assets classified as held for sale	-	355
Increase in liabilities directly associated with assets classified as held for sale	-	84
Net cash flows used in operating activities	(5,565)	(11,478)

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



OPERATING ASSETS AND LIABILITIES

NOTE 16. TRADE AND OTHER RECEIVABLES

	Notes	2021 US\$'000	2020 US\$'000
Current			
Trade receivables and other receivables	A	1,877	1,057
GST and VAT	B	101	59
Total current receivables		1,978	1,116
Non-Current			
Trade receivables and other receivables	A	4,396	5,197
Long term deposits	C	380	315
Total non-current receivables		4,776	5,512

A. Trade receivables are non-interest bearing. Carrying value approximates fair value due to the short-term nature of the receivables. Other receivables are amounts that generally arise from transactions outside the usual operating activities of the group.

Future receivables from the Kayelekera Sale include:

- A\$3M additional shares in Lotus Resources Limited due to be issued 13 March 2023;
- US\$5M repayment of the environmental performance bond (US\$2M due 13 March 2022 and US\$3M due 13 March 2023).

Future Shares - Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Future cash receivables - An expected credit loss model is used for calculating an allowance for doubtful debts. Details about the group's impairment policies and the calculation of the expected credit loss are provided in Note 10.

B. GST and VAT receivables relates to amounts due from Governments in Australia, Namibia and Canada.

C. Long term deposits relate to guarantees provided by a bank for the corporate office lease, tenements and corporate credit cards.

Recognition and Measurement

Trade Receivables

Receivables are initially recognised at fair value and subsequently at the amounts considered receivable. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate fair value.

Other Receivables

These amounts generally arise from transactions outside the usual operating activities of the group.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 16. TRADE AND OTHER RECEIVABLES (CONTINUED)

The group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTE 17. INVENTORIES

	2021 US\$'000	2020 US\$'000
Current		
Stores and consumables (at cost)	5,123	5,132
Total current inventories at the lower of cost and net realisable value	5,123	5,132

Inventory Expense

Uranium inventories sold recognised as an expense for the year ended 30 June 2021 totalled US\$2,973,000 for the Group. All inventory was purchased (2020: US\$Nil).

Write-down of Inventories

During 2021 stores and consumables held at the LHM were written down by US\$5,105 (2020: US\$68,682) due to obsolescence.

Recognition and Measurement

Consumable stores inventory are valued at the lower of cost and net realisable value using the weighted average cost method, after appropriate allowances for redundant and slow moving items.

Finished goods and work in progress inventory are valued at the lower of cost and net realisable value using the weighted average cost method. Cost is derived on an absorption costing basis, including both fixed and variable production costs and attributable overheads incurred up to the delivery point where legal title to the product passes. No accounting value is attributed to stockpiles containing ore at less than the cut-off grade.

The costs of production include labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore (including any recognised expense of stripping costs); the depreciation of property, plant and equipment used in the extraction and processing of ore; and production overheads.

Significant Estimates and Assumptions

Net Realisable Value of Inventories

The Group reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including sales prices and costs to complete inventories to their final form.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 18. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

1. Description

FY2020 - Sale of Kayelekera Mine

On 13 March 2020, the Company completed the sale of its 85% interest in Paladin (Africa) Ltd to Lotus Resources Limited (Lotus) (65%) and Lily Resources Pty Ltd (Lily) (20%). This is the Malawi operating segment (refer to Note 5).

The consideration for the sale of Paladin's 85% shareholding in PAL was A\$5M (US\$3.2M), comprising A\$200,000 (US\$137,000) cash, A\$4.8M (US\$3.1M) in Lotus shares. On 13 March 2020 Lotus issued A\$1.8M (US\$1.1M) shares to Paladin (90,000,000 shares), subject to a 12-month voluntary escrow, with A\$3M of shares (US\$2.1M) to be issued on the third anniversary of completion, 13 March 2023. The issue price will be based on the lower of the 30-day VWAP at the time of issue, or the price of a Lotus capital raising in the 90 days preceding. Paladin is entitled to receive a 3.5% royalty based on revenues derived from future production at Kayelekera, capped at A\$5M (US\$3.4M).

On 13 March 2020, the Company became a substantial shareholder in Lotus, holding a 14.46% interest following the issue of 90,000,000 shares at a 2cps issue price upon completion of the sale. Paladin holds a 9.43% interest at 30 June 2021.

Paladin is also entitled to receive the funds advanced to provide security for the US\$10M environmental performance bond issued to the Government of Malawi. The repayments will occur in four tranches: US\$4M on completion (13 March 2020), US\$1M on the first anniversary (13 March 2021), US\$2M on the second anniversary (13 March 2022), and the final US\$3M on the third anniversary (13 March 2023). At 30 June 2021 US\$5M has been received by Paladin.

At 30 June 2020 - Future receivables from the Kayelekera Sale include:

- A\$3M additional shares in Lotus to be issued on 13 March 2023;
- US\$5M repayment of the environmental performance bond (US\$2M due 13 March 2022 and US\$3M due 13 March 2023);
- A 3.5% production royalty derived from future production at the Kayelekera Mine, capped at A\$5M.

2. Financial performance and cash flow information of discontinued operations

	2021 US\$'000	2020 US\$'000
<u>(Loss)/profit after tax from discontinued operations</u>		
Other income	-	188
Change in estimate of KM mine closure provision	-	-
Care and maintenance expenses	-	(4,049)
Loss on sale of subsidiary after income tax	-	(42,540)
(Loss)/profit after tax from discontinued operations	-	(46,401)
<u>Cash Flows</u>		
Net cash outflow from operating activities	-	(3,238)
Net cash inflow from investing activities	-	-
Net decrease in cash and cash equivalents	-	(3,238)

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 18. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

3. Details of the sale of the subsidiary

	2021 US\$'000	2020 US\$'000
<u>Consideration received or receivable</u>		
Cash	-	4,137
Fair value of Lotus shares issued ¹	-	1,953
Fair value of receivables – shares and cash ²	-	5,986
Total disposal consideration	-	12,076
Carrying amount of assets sold	-	(10,474)
Carrying amount of liabilities sold	-	42,478
Gain on sale before income tax and de-recognition of non-controlling interest in PAL	-	44,080
Derecognise non-controlling interest	-	(86,620)
Loss on sale after income tax	-	(42,540)

Recognition and Measurement

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

¹ On 13 March 2020, the fair value of the 90M Lotus shares issued was A\$0.034 per share. It has been recognised as a financial asset with subsequent fair value movements recognised through Other Comprehensive Income.

² The fair value of receivables has been assessed using a discount rate to reflect the credit risk and the time value of money.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 19. NON-CURRENT FINANCIAL ASSETS

	2021 US\$'000	2020 US\$'000
Non-current financial assets	12,880	4,328

The Group has an investment in Lotus Resources Limited and at 30 June 2021 held 90,000,000 shares (2020: 90,000,000 shares) subject to a 12-month voluntary escrow which expired on 13 March 2021. The market value of these shares at 30 June 2021 is A\$17.1M (US\$12.9M) (2020: A\$6.3M (US\$4.3M)) based on a share price of A\$0.19 (2020: A\$0.07) per share.

Recognition and Measurement

Financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset.

Equity Instruments

The group measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

NOTE 20. PROPERTY, PLANT AND EQUIPMENT

	Total US\$'000	Plant and Equipment US\$'000	Land and Buildings US\$'000	Construction Work in Progress US\$'000
2021				
Net carrying value				
At 1 July 2020	190,889	185,361	4,772	756
Additions	39	39	-	-
Depreciation and amortisation expense	(12,819)	(12,455)	(364)	-
Disposals	(38)	(38)	-	-
Foreign currency translation	18	18	-	-
At 30 June 2021	178,089	172,925	4,408	756
Cost	380,059	369,442	9,861	756
Accumulated depreciation	(201,970)	(196,517)	(5,453)	-
2020				
Net carrying value				
At 1 July 2019	206,599	200,653	5,190	756
Additions	301	301	-	-
Depreciation and amortisation expense	(15,451)	(15,033)	(418)	-
Disposals	(551)	(551)	-	-
Foreign currency translation	(9)	(9)	-	-
At 30 June 2020	190,889	185,361	4,772	756
Cost	380,363	369,747	9,860	756
Accumulated depreciation	(189,474)	(184,386)	(5,088)	-

For personal use only



NOTE 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, Plant and Equipment Pledged as Security for Liabilities

Refer to Note 7 for information on property, plant and equipment pledged as security.

Recognition and Measurement

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Property, plant and equipment costs include both the costs associated with construction of equipment associated with establishment of an operating mine, and the estimated costs of dismantling and removing the asset and restoring the site on which it is located.

Land is not depreciated. Depreciation on other assets is calculated using the unit of production basis or the straight line method to allocate their cost amount, net of their residual values, over their estimated useful lives, as follows:

- Buildings 20 years
- Databases 10 years
- Plant and equipment 2-6 years
- Leasehold improvements period of lease
- Mine plant and equipment remaining useful life of the assets

The estimates of useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

Significant Estimates and Assumptions

Impairment of Property, Plant and Equipment; Mine Development and Intangibles

Property, plant and equipment; mine development and intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The Group conducts an internal review of asset values at each reporting date, which is used as a source of information to assess for any indicators of impairment. Factors, such as changes in uranium prices, production performance and mining and processing costs are monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit or CGU).

The future recoverability of the property, plant and equipment, mine development and intangibles is dependent on a number of key factors including: uranium price, capex, life of mine, restart date, discount rates used in determining the estimated discounted cash flows, foreign exchanges rates, tax rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of production and future legal changes, including changes to environmental restoration obligations.

Paladin did not identify any impairment indicators in relation to the Langer Heinrich Mine CGU.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 21. MINE DEVELOPMENT

	2021	2020
	US\$'000	US\$'000
Mine development – at cost	63,091	63,091
Less accumulated depreciation and impairment	(46,343)	(44,543)
Net carrying value – mine development	16,748	18,548
Net carrying value at start of year	18,548	22,958
Depreciation and amortisation expense	(1,800)	(4,410)
Net carrying value at end of year	16,748	18,548

Recognition and Measurement

Mine development

Pre-production costs are deferred as development costs until such time as the asset is capable of being operated in a manner intended by management and depreciated on a straight line basis. Post-production costs are recognised as a cost of production.

Significant Judgements, Estimates and Assumptions

Proved and Probable Reserves

The Group uses the concept of a life of mine as an accounting value to determine such things as depreciation rates and the appropriate period to discount mine closure provisions. In determining life of mine, the proved and probable reserves measured in accordance with the 2012 edition of the JORC Code specific to a mine are taken into account which by their very nature require judgements, estimates and assumptions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 22. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the year ended 30 June 2021:

	Valhalla/Skal	Isa North	Carley Bore	Canada	Manyingee	Fusion	LHU	Total
Areas of interest	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance 1 July 2019	39,347	7,201	7,847	28,676	7,354	98	-	90,523
Expenditure capitalised	94	342	19	436	62	61	3,059	4,073
Foreign exchange differences	-	-	-	(1,227)	-	-	-	(1,227)
Balance 30 June 2020	39,441	7,543	7,866	27,885	7,416	159	3,059	93,369
Expenditure capitalised	79	259	51	510	108	69	2,167	3,243
Foreign exchange differences	-	-	-	2,945	-	-	-	2,945
Balance 30 June 2021	39,520	7,802	7,917	31,340	7,524	228	5,226	99,557

Recognition and Measurement

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

1. Rights to tenure of the area of interest are current; and
2. Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale.

Exploration and evaluation expenditure is allocated separately to specific areas of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Costs related to the acquisition of properties that contain Mineral Resources are allocated separately to specific areas of interest.

If costs are not expected to be recouped through successful development and exploitation of the area of interest, or alternatively by sale, costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure that is capitalised is included as part of cash flows from investing activities, whereas exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities.

When a decision to proceed to development is made, the exploration and evaluation capitalised to that area is transferred to mine development. All costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised and carried at cost. These costs include expenditure incurred to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

Capitalised amounts for an area of interest may be written down to their recoverable amount if the area of interest's carrying amount is greater than their estimated recoverable amount.

Since 30 June 2020, there have been no events or changes in circumstances to indicate that the carrying value may not be recoverable.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 23. INTANGIBLE ASSETS

	2021 US\$'000	2020 US\$'000
At 30 June		
Intangible assets – at cost	17,803	17,803
Less accumulated depreciation and impairment	(9,491)	(8,972)
Net carrying value – intangible assets	8,312	8,831

Amortisation of US\$519,000 (2020: US\$631,000) is included in non production costs in the Consolidated Income Statement.

Movements in Intangible Assets

Movements in each group of intangible asset during the financial year are set out below:

	Right to Supply of Power US\$'000	Right to Supply of Water US\$'000	Total US\$'000
2021			
Net carrying value at 1 July 2020	2,473	6,358	8,831
Amortisation expense	(145)	(374)	(519)
Net carrying value at 30 June 2021	2,328	5,984	8,312
2020			
Net carrying value at 1 July 2019	2,650	6,812	9,462
Amortisation expense	(177)	(454)	(631)
Net carrying value at 30 June 2020	2,473	6,358	8,831

Description of the Group's Intangible Assets

1. Right to supply of power

LHU has entered into a contract with NamPower in Namibia for the right to access power at the LHM. In order to obtain this right, the power line connection to the mine was funded by LHU. However, ownership of the power line rests with NamPower. The amount funded is being amortised on a straight line basis.

2. Right to supply of water

LHU has entered into a contract with NamWater in Namibia for the right to access water at the LHM. In order to obtain this right, the water pipeline connection to the mine was funded by LHU. However, ownership of the pipeline rests with NamWater. The amount funded is being amortised on a straight line basis.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 23. INTANGIBLE ASSETS (CONTINUED)

Recognition and Measurement

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Income Statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on the intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Group's intangible assets is as follows:

Right to use water and power supply

Useful lives	Life of mine
Amortisation method used	Straight line method over the remaining useful life (16 years). The amortisation method is reviewed at each financial year-end.
Impairment testing	Annually and more frequently when an indication of impairment exists.

NOTE 24. TRADE AND OTHER PAYABLES

	2021 US\$'000	2020 US\$'000
Current		
Trade and other payables	2,262	1,541
Unearned Revenue	-	3
Total current payables	2,262	1,544

Trade payables are non-interest bearing and are normally settled on 30 day terms.

Recognition and Measurement

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

For personal use only

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2021



NOTE 25. PROVISIONS

	2021	2020
	US\$'000	US\$'000
Current		
Employee benefits	540	522
Total current provisions	540	522
Non-Current		
Environmental rehabilitation provision	42,073	32,087
Total non-current provisions	42,073	32,087

Movements in Provisions

Movements in provisions during the financial year, excluding provisions relating to employee benefits, are set out below:

	Environmental Rehabilitation
	US\$'000
At 1 July 2020	32,087
Unwinding of discount rate	3,128
Foreign currency movements	6,858
At 30 June 2021	42,073
2021	
Current	-
Non-current	42,073
2020	
Current	-
Non-current	32,087

Nature and Timing of Provisions

Environmental rehabilitation

A provision for environmental rehabilitation and mine closure has been recorded in relation to the LHM. A provision is made for rehabilitation work when the obligation arises and this is recognised as a cost of production or development as appropriate. Additionally, the provision includes the costs of dismantling and demolition of infrastructure or decommissioning, the removal of residual material and the remediation of disturbed areas specific to the infrastructure to a state acceptable to various authorities.

Recognition and Measurement

Provisions

Mine closure and restoration costs include the costs of dismantling and demolition of infrastructure or decommissioning, the removal of residual material and the remediation of disturbed areas specific to the infrastructure. Mine closure costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 25. PROVISIONS (CONTINUED)

Recognition and Measurement (continued)

As the value of the provision for mine closure represents the discounted value of the present obligation to restore, dismantle and close the mine, the increase in this provision due to the passage of time is recognised as a finance cost. The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability. Foreign exchange movements are treated as a finance component and recognised in the Income Statement.

Provision is made for rehabilitation work when the obligation arises, and this is recognised as a cost of production or development. The rehabilitation costs provided for are the present value of the estimated costs to restore operating locations. The value of the provision represents the discounted value of the current estimate to restore and the discount rate used is the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Employee benefits

Short-term benefits

Liabilities for short-term benefits, including wages and salaries, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised as a current liability in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Significant Accounting Judgements, Estimates and Assumptions

Environmental rehabilitation provision

The value of this provision represents the discounted value of the present obligation to rehabilitate the mine and to restore, dismantle and close the mine. The discounted value reflects a combination of management's assessment of the cost of performing the work required, the timing of the cash flows and the discount rate. A change in any, or a combination, of the three key assumptions (estimated cash flows, discount rates or inflation rates), used to determine the provision could have a material impact to the carrying value of the provision.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



OTHER NOTES

NOTE 26. KEY MANAGEMENT PERSONNEL

Details of Key Management Personnel

1	<u>Directors</u>	
	Mr Cliff Lawrenson	Chairman (Non-Executive)
	Mr Peter Watson	Director (Non-Executive)
	Mr Peter Main	Director (Non-Executive)
	Ms Melissa Holzberger	Director (Non-Executive)
	Ms Joanne Palmer	Director (Non-Executive)
2	<u>Executives</u>	
	Mr Ian Purdy	Chief Executive Officer
	Ms Anna Sudlow	Chief Financial Officer
	Mr Jonathon Clements	General Manager - Projects & Development
	Mr Jess Oram	General Manager Exploration (appointed 19 July 2021)
	Mr Alex Rybak	General Manager – Business Development & Marketing (appointed 19 July 2021)

Compensation of Key Management Personnel: Compensation by Category

	2021 US\$'000	2020 US\$'000
Short-term employee benefits	981,379	1,345,071
Post-employment benefits	54,206	57,344
Share-based payments	1,957,547	86,935
	2,993,132	1,489,350

NOTE 27. AUDITORS' REMUNERATION

The auditor of the Paladin Energy Ltd Group is PricewaterhouseCoopers.

	2021 US\$'000	2020 US\$'000
<i>Amounts received or due and receivable by PricewaterhouseCoopers (Australia) for:</i>		
Audit or review of the financial report of the consolidated Group	140,237	127,850
Other services	-	-
Taxation services:		
Tax compliance services	27,900	39,854
International tax consulting	-	10,329
Other tax advice	-	-
Sub-total	168,137	178,033
<i>Amounts received or due and receivable by related practices of PricewaterhouseCoopers (Australia) for:</i>		
Audit or review of the financial report of subsidiaries and audit related services	27,965	24,352
Other services	288	1,219
Taxation services:		
Tax compliance services	450	481
Sub-total	28,703	26,052
Total	196,840	204,085

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 28. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 30 June 2021 other than:

	2021 US\$'000	2020 US\$'000
Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	90	41
Later than one year but not later than 5 years	681	987
More than 5 years	493	539
Total tenements commitment	1,264	1,567

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Namibian, Canadian, Western Australian and Queensland Mines Departments attaching 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, Australia and Canada.

Other Commitments

Commitments for transport, capital, purchase order commitments, fuel and utilities and other supplies contracted for at the reporting date but not recognised as liabilities, payable:

	2021 US\$'000	2020 US\$'000
Within one year	145	503
Later than one year but not later than 5 years	1,023	297
More than 5 years	558	1,115
Total other commitments	1,726	1,915

In relation to the Manyingee Project, the re-negotiated acquisition terms provide for a payment of A\$750,000 (US\$564,899) (2020: A\$750,000 (US\$515,187)) by the Group to the vendors when all project development approvals are obtained.

Bank Guarantees

As at 30 June 2021 the Group has outstanding US\$123,549 (A\$164,032) (2020: US\$154,656 (A\$225,145)) as a current guarantee provided by a bank for the corporate office lease; a US\$11,298 (A\$15,000) (2020: US\$92,734 (A\$135,000)) guarantee for tenements and a US\$48,958 (A\$65,000) (2020: US\$44,650 (A\$65,000)) guarantee for corporate credit cards.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 29. RELATED PARTIES

Key Management Personnel

The only related party transactions are with Directors and Key Management Personnel. Refer to Note 26. Details of material controlled entities are set out in Note 30.

Loans from related parties – LHU's loans from CNNC (refer to Note 8)

	2021 US\$'000	2020 US\$'000
Non-Current		
At 1 July 2020	102,638	98,264
Interest charged	2,946	4,374
Fair value adjustment to shareholder loan	(39,759)	-
Accretion expense	2,918	-
At 30 June 2021	68,743	102,638
Purchase of uranium	2,973	-

NOTE 30. GROUP INFORMATION

Information Relating to Paladin Energy Ltd (parent)

	2021 US\$'000	2020 US\$'000
Current assets	32,127	32,989
Total assets	252,854	232,448
Current liabilities	1,388	1,336
Total liabilities	11,934	147,265
Issued capital	2,489,082	2,327,789
Accumulated losses	(2,813,872)	(2,293,279)
Option application reserve	137	137
Share-based payments reserve	48,042	48,303
Revaluation reserve	10,434	2,233
Total shareholders' equity	266,177	85,183
Net loss after tax from operations	(41,141)	(12,149)
Total comprehensive loss	(41,141)	(12,149)

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Paladin Energy Ltd. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Details of Any Contingent Liabilities of the Parent Entity

Paladin has recognised a provision of US\$42,073,000 for the LHM Environmental Trust Fund.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 30. GROUP INFORMATION (CONTINUED)

Tax Consolidation

Paladin and its 100% owned Australian resident subsidiaries formed a tax consolidated group (the Group) with effect from 1 July 2003. Paladin is the head entity of the Group. Members of the Group have entered into a tax-sharing agreement that provides that the head entity will be liable for all taxes payable by the Group from the consolidation date. The parties have agreed to apportion the head entity's taxation liability within the Group based on each contributing member's share of the Group's taxable income and losses.

Investments in Material Controlled Entities

NAME	COUNTRY OF INCORPORATION	PERCENTAGE INTEREST HELD	
		2021 %	2020 %
Paladin Energy Minerals NL	Australia	100	100
Langer Heinrich Mauritius Holdings Ltd	Mauritius	75	75
Langer Heinrich Uranium (Pty) Ltd	Namibia	75	75
Valhalla Uranium Pty Ltd	Australia	100	100
Summit Resources Ltd	Australia	100	100
Summit Resources (Aust) Pty Ltd	Australia	100	100
Paladin Energy Canada Ltd	Canada	100	100
Michelin Uranium Ltd	Canada	100	100
Paladin Canada Investment (NL) Ltd	Canada	100	100
Paladin Canada Holdings (NL) Ltd	Canada	100	100
Aurora Energy Ltd	Canada	65	60

All investments comprise ordinary shares and all shares held are unquoted.

NOTE 31. EVENTS AFTER THE BALANCE DATE

Since the end of the financial year, 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.

For personal use only

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2021



NOTE 32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting Standards and Interpretations issued but not yet effective

The following Australian Accounting Standards that have recently been issued or amended but are not yet effective are relevant to the Group but have not been applied by the Group for the annual reporting period ending 30 June 2021:

Reference/ Title	Summary	Application date of standard*	Application date for Group*
Narrow scope amendments issued for AASB 116, AASB 137, AASB 3 and Annual Improvements made to AASB 1, AASB 9, AASB 16 and AASB 141 (AASB 2020-3)	<p>The AASB has made</p> <ul style="list-style-type: none"> • Narrow scope amendments to <ul style="list-style-type: none"> - AASB 116 Property, Plant and Equipment in relation to proceeds before intended use - AASB 137 Provisions, Contingent Liabilities and Contingent - Assets in relation to onerous contracts and the cost of fulfilling a contract - AASB 3 Business combinations in relation to references to the Conceptual Framework, and - Annual improvements to AASB 16, AASB 1, AASB 9 and AASB 141. 	1 January 2022	1 July 2022
Classification of liabilities as current or non-current (AASB 2020-1, AASB 2020-6)	The AASB issued a narrow-scope amendment to AASB 101 Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.	1 January 2023	1 July 2023

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

The Group has considered what impact these new Accounting Standards will have on the financial statements, when applied next year, and have concluded that they will have no material impact.

The Group has elected not to early adopt these new standards or amendments in the financial statements.

For Standards and Interpretations effective from 1 July 2021, it is not expected that the new Standards and Interpretations will significantly affect the Group's financial performance.

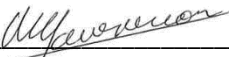
Directors' Declaration



1. In the opinion of the Directors' of Paladin Energy Ltd:
 - a) The consolidated financial statements and notes that are set out on pages 39 to 87, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 3 to the Financial Statements.
 - c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2021 (**section 295A Declarations**). The section 295A Declarations have been made by the Chief Executive Officer, Ian Purdy and the Chief Financial Officer, Anna Sudlow.

Dated at Perth on 26th August 2021

On behalf of the board



Cliff Lawrenson
Chairman

For personal use only



Independent auditor's report

To the members of Paladin Energy Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Paladin Energy Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group owns uranium mining and exploration assets in Namibia, Canada and Australia.



Materiality	Audit scope
<p>For the purpose of our audit we used overall Group materiality of US\$3.6 million, which represents approximately 1% of the Group’s total assets.</p> <p>We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.</p> <p>We chose total assets as the benchmark because the Group is not currently operating its assets which are in the care and maintenance or exploration stage. The use of total assets as a benchmark provides a level of materiality which, in our view, is appropriate for the audit having regard to the expected requirements of users of the Group’s financial report.</p> <p>We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable asset-related thresholds in the mining industry.</p>	<p>Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.</p> <p>In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by the group engagement team and by the component auditor in Namibia operating under our instruction. We structured our audit as follows:</p> <ul style="list-style-type: none"> • The component auditor performed audit procedures on the financial information of Langer Heinrich Uranium (Pty) Ltd. • The Group engagement team performed audit procedures, as required due to their financial significance, on the financial information of the Group’s remaining subsidiaries. • The Group engagement team and component auditor had active dialogue throughout the year through discussions, review of audit working papers and written instructions and reporting.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Revision of shareholder loan terms (Refer to note 8) US\$68,743,000</p> <p>On 1 January 2021 the shareholder loan facility agreements between the Group's 75%-owned Namibian subsidiary Langer Heinrich Uranium (Pty) Ltd and its shareholders were extended. The revised terms and conditions of the facility agreements were sufficiently different from previous terms and conditions such that the new arrangements constituted an extinguishment of the previous facilities and the recognition, at fair value, of the new facilities.</p> <p>In accordance with AASB 9 <i>Financial Instruments</i> the fair values of the loans under the revised facility agreements were determined by applying a market interest rate to the future cash flows arising from the loans. The difference between these fair values and the carrying amount of the loans at 1 January 2021 represents a non-cash contribution from owners and has been recognised in equity.</p> <p>This was a key audit matter due to the complexity of the accounting requirements for debt modifications, the judgement required to determine the fair value of the revised loans and the significant adjustments to the carrying value of the loans resulting from the revision.</p>	<p>We focused our work on assessing the appropriateness of the accounting treatment for the revised shareholder loan terms and our procedures included:</p> <ul style="list-style-type: none"> obtaining the revised shareholder loan facility agreements to assess the relevant changes in terms and conditions assessing the assumptions used by management in determining whether the revision resulted in a debt modification or extinguishment under AASB 9 <i>Financial Instruments</i> assessing the reasonableness of the interest rate used to calculate the fair value of the revised loans testing the mathematical accuracy of the calculation of fair values of the revised loans assessing the reasonableness of the calculation of interest expense subsequent the revision on 1 January 2021 assessing the appropriateness of disclosures relating to this matter in the financial report

For personal use only

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment indicators for Langer Heinrich (Refer to notes 5 and 20-23) US\$207,967,000</p> <p>The Group performed an assessment for impairment indicators as required by Australian Accounting Standards for the Langer Heinrich Cash Generating Unit (CGU) which is currently in care & maintenance.</p> <p>As at 30 June 2021, the US\$207,967,000 Namibian segment non-current assets (comprising property, plant and equipment, mine properties, exploration and evaluation and intangible assets) are attributable to the Langer Heinrich CGU. The Group concluded that there were no impairment indicators.</p> <p>This was a key audit matter due to the significant carrying value of the Group's Langer Heinrich CGU and the judgements required and assumptions used in determining whether there were any impairment indicators.</p>	<p>We evaluated the Group's assessment of whether there were any indicators of asset impairment at 30 June 2021 for the Langer Heinrich CGU.</p> <p>We applied professional scepticism in our evaluation of judgements made by the Group and our procedures included:</p> <ul style="list-style-type: none"> • comparing medium and long term uranium pricing to external industry forecasts • comparing resource estimates to the most recent Langer Heinrich Resource Statement • comparing foreign exchange and inflation rate assumptions to current economic forecasts • assessing the Group's market capitalisation as an indicator for impairment • assessing the reasonableness of the accounting policy and method selected in light of the Accounting Standards
<p>Closure and rehabilitation provisions (Refer to note 25) US\$42,073,000</p> <p>As a result of its mining and processing operations, the Group is obliged to restore and rehabilitate the environment disturbed by these operations. Rehabilitation activities are governed by a combination of legislative and licence requirements. At 30 June 2021 the consolidated statement of financial position included provisions for such obligations of US\$42.1 million.</p> <p>This was a key audit matter given the determination of these provisions required judgement in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, the timing of when the rehabilitation will take place and economic assumptions such as the discount and inflation rates applied to future cash outflows associated with rehabilitation activities to bring them to their present value.</p>	<p>We obtained the Group's assessment of its obligations to rehabilitate disturbed areas and the estimated future cost of that work, which forms the basis for the closure and rehabilitation provision calculations (the model) for the Langer Heinrich mine. We evaluated and tested key assumptions utilised in this model by performing the following procedures:</p> <ul style="list-style-type: none"> • comparing the rehabilitation costs being estimated at Langer Heinrich to an external expert's assessment of the rehabilitation obligation • examining supporting information for significant changes in future cost estimates from the prior year • assessing the timing of work to be performed by comparison to mine plans and environmental rehabilitation plans submitted to relevant authorities • considering the appropriateness of the discount and inflation rates utilised in calculating the provision by comparing them to current market consensus rates.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 24 to 35 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Paladin Energy Ltd for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

The PricewaterhouseCoopers logo is written in a cursive, handwritten style.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Justin Carroll'.

Justin Carroll
Partner

Perth
26 August 2021

For personal use only

Additional Information



Pursuant to the Listing Requirements of ASX as at 20 August 2021:

1. Distribution and number of holders

Range		Total Holders	No. of Shares
1	-	1,000	317,652
1,001	-	5,000	8,789,931
5,001	-	10,000	13,332,165
10,001	-	100,000	135,967,650
100,001	-	maximum	2,519,483,673
		11,173	2,677,891,071

1,753 shareholders hold less than a marketable parcel of shares.

2. The twenty largest shareholders hold 79.09% of the total shares issued

Holder	No. of Shares	%
CITICORP NOMINEES PTY LIMITED	500,823,785	18.70
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	423,544,611	15.82
NDOVU CAPITAL XII B V	261,589,744	9.77
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	178,767,744	6.68
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	133,589,561	4.99
NATIONAL NOMINEES LIMITED	98,208,973	3.67
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	70,964,493	2.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	62,417,326	2.33
BNP PARIBAS NOMS PTY LTD <DRP>	61,954,406	2.31
HOPU CLEAN ENERGY (SINGAPORE) PTE LTD	49,174,305	1.84
UBS NOMINEES PTY LTD	36,090,390	1.35
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	33,999,602	1.27
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	33,086,333	1.24
BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	33,064,683	1.23
WOODROSS NOMINEES PTY LTD	32,745,012	1.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	26,630,701	0.99
EGP CONSULTING PTY LIMITED <IAN PURDY FAMILY A/C>	25,675,676	0.96
SACHEM COVE SPECIAL OPPORTUNITIES FUND LP	200,135,14	0.75
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	193,277,64	0.72
BRISPOP NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	162,479,60	0.61
	2,117,916,583	79.09

Substantial shareholders as disclosed in substantial shareholder notices given to the Company are as follows:

Tembo Capital Mining Fund II LP and related entities
Paradice Investment Management Pty Ltd

3. Voting Rights

Ordinary Shares

For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

Share Appreciation Rights

There are no voting rights attached to share appreciation rights.

Performance Rights

There are no voting rights attached to performance rights.

For personal use only

Additional Information (continued)



4. Securities Subject to Voluntary Escrow

There are 57,000,000 PRs converted into ordinary shares that are subject to escrow.

5. Unquoted securities

Unlisted Share Appreciation Rights

The Company has 5,510,500 share appreciation rights on issue, issued in accordance with the Share Rights Plan approved by shareholders. The number of beneficial holders of share appreciation rights totals 15.

Unlisted Performance Rights

The Company has nil performance rights on issue.

For personal use only

Additional Information (continued)



Tenement information required by listing rule 5.20

Tenement	Location	Ownership
EPM 11898	QLD, Australia	20%
EPM 13412	QLD, Australia	20%
EPM 13413	QLD, Australia	20%
EPM 13682	QLD, Australia	20%
EPM 14040	QLD, Australia	0%
EPM 14233	QLD, Australia	18%
EPM 14694	QLD, Australia	20%
EPM 14712	QLD, Australia	20%
EPM 14821	QLD, Australia	20%
EPM 14935	QLD, Australia	20%
EPM 15156	QLD, Australia	20%
MDL 507	QLD, Australia	100%
MDL 508	QLD, Australia	100%
MDL 509	QLD, Australia	100%
MDL 510	QLD, Australia	100%
MDL 511	QLD, Australia	100%
MDL 513	QLD, Australia	100%
M08/86	WA, Australia	100%
M08/87	WA, Australia	100%
M08/88	WA, Australia	100%
E08/1645	WA, Australia	100%
E08/1646	WA, Australia	100%
EL 6132	SA, Australia	7.5%
ML 140	Namibia, Africa	75%
ML 172	Namibia, Africa	75%
022147M	NL, Canada	65%
024697M	NL, Canada	65%
024995M	NL, Canada	65%
025621M	NL, Canada	65%
025641M	NL, Canada	65%
025649M	NL, Canada	65%
025651M	NL, Canada	65%
025658M	NL, Canada	65%
025675M	NL, Canada	65%
025676M	NL, Canada	65%
025677M	NL, Canada	65%
025678M	NL, Canada	65%
025680M	NL, Canada	65%
025681M	NL, Canada	65%
025932M	NL, Canada	65%

For personal use only