



PALADIN

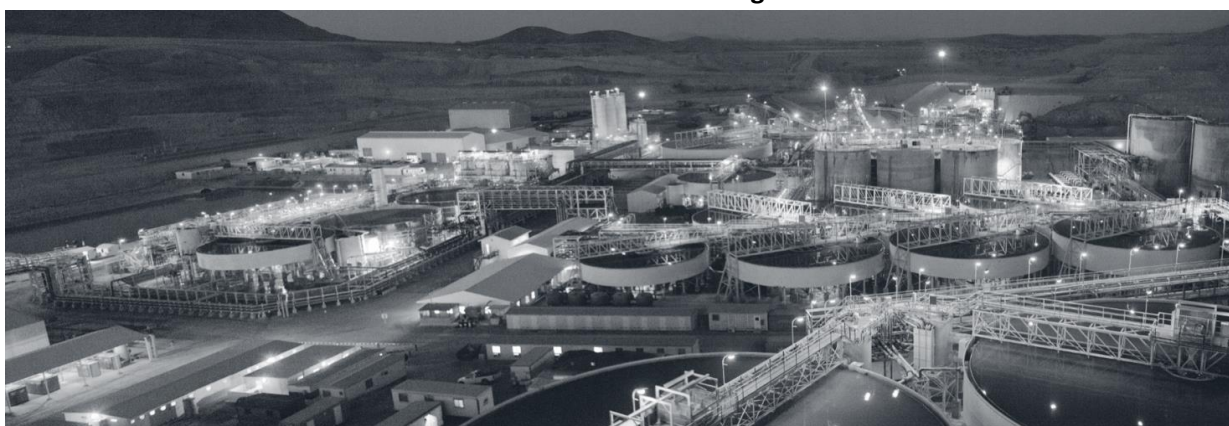
Clean energy. Clear future.

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ASX Announcement
25 February 2022

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

Financial Results for the six months ending 31 December 2021



Paladin Energy Limited (ASX:PDN OTCQX:PALAF) (**Paladin**) is pleased to announce its financial results for the six months ended 31 December 2021 (H1 FY2022).

FINANCIAL OVERVIEW

- Net loss from continuing operations of US\$11.0M for the six months (net loss of US\$25.4M H1 FY2021)
- Unrestricted cash and cash equivalents of US\$38.0M as at 31 December 2021 with no corporate debt
- Cash expenditure of US\$5.6M for the six months (US\$4.6M H1 FY2021)
- There is no change in the expected full year cash expenditure of US\$12.2M as Paladin focuses attention on exploring value enhancement opportunities at the Langer Heinrich Mine and across the Company's broader asset portfolio.

OPERATIONAL HIGHLIGHTS

- Paladin had no lost time injuries or reportable incidents during the six months ending 31 December 2021
- During the period, the Company released the Langer Heinrich Mine Restart Plan Update¹ (the **Restart Plan Update**)
- The Restart Plan Update reflects the extensive work programs which have been undertaken since the Langer Heinrich Restart Plan² was completed on 30 June 2020, and presented an update to the Mineral Resources and Ore Reserves Estimates for the Langer Heinrich Mine

¹ ASX Announcement 'Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update' released on 4 November 2021

² ASX Announcement 'Langer Heinrich Mine Restart Plan' released on 30 June 2020



- The Restart Plan Update confirmed or updated key capital and operating costs and the production profile assumptions, and has de-risked the pathway to bring Langer Heinrich back into production
- The Restart Plan Update confirmed the restart cost estimate of US\$81M and a 17 year mine life supported by Ore Reserves of 84.8Mt with an average U₃O₈ grade of 448ppm
- The restart work technical programs are now complete and have reinforced Paladin's confidence in the Langer Heinrich Mine (**LHM**) as a robust, competitive long-life operation ready to rapidly restart production in the right uranium price environment
- The Company continues to engage global nuclear energy utilities with the intent of securing uranium term-price contracts with sufficient term and value to underpin the restart of LHM
- During the period minimum tenement expenditure commitments were met in Paladin's significant exploration portfolio in Australia and Canada
- Paladin was included in the S&P/ASX200 Index effective prior to the open of trading on 20 December 2021
- Paladin's Sustainability Report 2021 was published, confirming the Company's commitment to delivering value through sustainable development.

Paladin CEO, Ian Purdy said *"Our Langer Heinrich Mine remains competitively positioned to take advantage of an improving uranium market. The asset has a proven track record of production having successfully marketed over 43Mlb of U₃O₈. Our strong cash position and low expenditure levels coupled with our detailed restart plans and our team of high calibre industry experts will ensure that, when the right uranium pricing market prevails, the Langer Heinrich Mine can be successfully restarted, delivering significant value to all of our stakeholders."*

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

For further information contact:

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Chief Executive Officer

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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.

Appendix 4D - Financial Report
Half year ended 31 December 2021

Paladin Energy Ltd

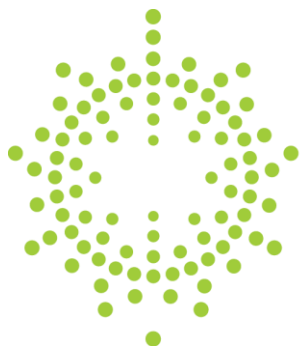
ABN or equivalent company reference

ACN. 061 681 098

Results for announcement to the market

				31 December 2021 US\$'000	31 December 2020 US\$'000
Revenue from sales of uranium oxide	-	-	to	-	-
Total revenue	-	-	to	-	-
Loss after tax attributable to members	Down	82%	to	(3,541)	(19,189)
Net loss for the period attributable to members	Down	82%	to	(3,541)	(19,189)
Loss per share (US cents)				(0.1)	(0.9)

Dividends	Amount per security	Franked amount per security
It is not proposed to pay dividends for the period	N/A	N/A
Previous corresponding period: 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.		
Net tangible assets per share	31 December 2021 US\$0.08	31 December 2020 US\$0.03
Other		
Previous corresponding period is the half year ended 31 December 2020.		
All foreign subsidiaries are prepared using IFRS.		



PALADIN

A.C.N. 061 681 098

FINANCIAL REPORT

FOR THE SIX MONTHS ENDED

31 DECEMBER 2021

PALADIN ENERGY LTD

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

PALADIN ENERGY LTD

Operating and Financial Review

For the Six Months Ended 31 December 2021

(All figures are in US dollars unless otherwise indicated)

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 Mine (LHM) in Namibia. Langer Heinrich is a significant, long-life operation, having already produced over 43Mlb U₃O₈ to date. The mine is currently in care and maintenance (C&M) as operations 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 is also listed on 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 and Safety

- Paladin had no lost time injuries or reportable incidents during the six months ending 31 December 2021
- The Company continued to maintain appropriate protocols across all locations to minimise the potential transmission of COVID-19
- Four Hospivac machines were received and provided to the Office of the Governor of the Erongo region near the LHM during the period as part of the Company's commitment to assist with the COVID-19 pandemic.

Operational Performance

- During the six months ended 31 December 2021, the Company released the Langer Heinrich Mine Restart Plan Update¹ (the Restart Plan Update)
- The Restart Plan Update reflects the extensive work programs which have been undertaken since the Langer Heinrich Restart Plan² was completed on 30 June 2020, and presented an update to the Mineral Resources and Ore Reserves Estimates for the Langer Heinrich Mine
- The Restart Plan Update confirmed or updated key capital and operating costs and the production profile assumptions, and has de-risked the pathway to bring Langer Heinrich back into production
- Key highlights from the Restart Plan Update include:
 - Restart capital cost assumption reaffirmed at US\$81M
 - Confirmation of a 17 year mine life for Langer Heinrich with the life of mine production target increased to 77.4Mlb U₃O₈ (previously 76.1Mlb)
 - Ore Reserves of 84.8Mt with an average U₃O₈ grade of 448ppm support the 17 year mine plan
 - Estimated Life of Mine C1 Costs were updated to US\$27.40/lb (previously US\$26.90/lb), primarily due to increased estimated contract mining rates
 - Confirmed an estimated project execution timeframe of 18 months from project commencement to first production, with full production achieved after a further 15 months
 - The Company has developed an accelerated schedule with an optimised LHM project execution plan which may be implemented to meet customer requirements, and includes the

¹ ASX Announcement 'Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update' released on 4 November 2021

² ASX Announcement 'Langer Heinrich Mine Restart Plan' released on 30 June 2020

PALADIN ENERGY LTD

Operating and Financial Review

For the Six Months Ended 31 December 2021

(All figures are in US dollars unless otherwise indicated)

possibility of self-funding early works in 2022 and fast tracking first production when a decision to restart is made

- The Langer Heinrich Mine remained on C&M during the period.

The restart work technical programs are now complete and have reinforced Paladin's confidence in the Langer Heinrich Mine as a robust, competitive long-life operation ready to rapidly restart production in the right uranium price environment.

Paladin will now focus attention on exploring value enhancement opportunities at Langer Heinrich and across the Company's broader asset portfolio.

Exploration

- The Company continues to manage its significant exploration portfolio in Australia³ and Canada
- The review and design of the Company's exploration strategy to advance the portfolio of high-grade exploration assets is progressing
- During the period minimum tenement expenditure commitments were met
- The Company is engaged on an ongoing basis with local communities, government and native title holders
- Rehabilitation monitoring continues across all locations without incident.

Corporate

- Paladin was included in the S&P/ASX 200 Index prior to the open of trading on 20 December 2021
- Paladin's 2021 Sustainability Report was published, confirming the Company's commitment to delivering value through sustainable development
- The Company held US\$38.0M of cash and cash equivalents as at 31 December 2021 (excluding restricted cash of \$1M), and holds no corporate debt
- There is no change to the expected full year cash expenditure of US\$12.2M
- The Company continues to engage with global nuclear energy utilities with the intent of securing uranium offtake contracts with sufficient duration and value to underpin the restart of LHM.

FINANCIAL PERFORMANCE

Key financial performance metrics		Six months ended 31 December		
		2021	2020	% Change
Earnings				
Net loss after tax from continuing operations	US\$'000	(10,986)	(25,378)	57
Loss after tax attributable to members	US\$'000	(3,541)	(19,189)	82
Cash Flows				
Cash flows from operating activities	US\$'000	(3,748)	(1,549)	(142)
Capital expenditure	US\$'000	(1,738)	(1,677)	(4)
Free cash flows ⁴	US\$'000	(5,486)	(3,226)	(70)

³ Currently there is a ban on all future uranium mining in Queensland and Western Australia, except for four projects in Western Australia that had been approved prior to the last State election. These Western Australian projects are not Paladin owned.

⁴ Free Cash Flows equals the total of 'cash flows from operating activities' plus 'capital expenditure'.

PALADIN ENERGY LTD

Operating and Financial Review

For the Six Months Ended 31 December 2021

(All figures are in US dollars unless otherwise indicated)

Earnings

Net loss after tax from continuing operations decreased by 57%, mainly as a result of reduced finance costs of US\$Nil (2020: US\$5,576k) as a result of the redemption of the Senior Secured Notes in April 2021, and foreign exchange gains of US\$6,292k predominantly due to the foreign exchange translation of the environmental rehabilitation provision in Namibia (2020: foreign exchange loss of US\$4,697k). The Namibian dollar depreciated 11% during the period, from US\$1:N\$14.31 at 30 June 2021 to US\$1:N\$15.93 at 31 December 2021.

Key financial performance metrics		As at 31 December 2021	As at 30 June 2021	% Change
Financial Position				
Unrestricted cash and cash equivalents	US\$'000	38,040	30,661	24
Total equity	US\$'000	233,695	246,708	(5)

Cash Flows

The Group had unrestricted cash and cash equivalents at 31 December 2021 of US\$38,040k.

Unrestricted cash and cash equivalents increased by US\$7,379k during the period comprising of the following cash flows:

- Interest received and other income – the Group received cash inflows of US\$13,543k, including US\$13,386k proceeds from the sale of 90,000,000 Lotus Resources Ltd shares
- LHM expenditure – ongoing care and maintenance, the LHM utilised US\$1,574k in cash flows from operations
- LHM restart plan expenditure – the Group incurred US\$932k in restart planning expenditure
- Exploration expenditure – the Group utilised US\$662k to meet minimum tenement commitments at its exploration projects
- Property Plant and Equipment – the Group incurred US\$144k acquiring new property, plant and equipment
- Corporate expenditure – US\$2,331k was incurred for corporate costs
- Effect of movement in exchange rate of cash held – a decrease in US\$ equivalent cash of US\$1,058k was predominantly due to an increase in Australian dollars held to meet corporate expenditure requirements
- Shareholder loans advanced – US\$537k was advanced from CNNC Overseas Uranium Holding Limited (CNNC) to Langer Heinrich Uranium (Pty) Ltd

Financial Position

Unrestricted group cash and cash equivalents increased by 24% to US\$38,040k.

Paladin has no corporate debt and gearing of \$Nil at 31 December 2021.

PALADIN ENERGY LTD

Directors' Report

For the Six Months Ended 31 December 2021
(All figures are in US dollars unless otherwise indicated)

The Directors present their report on the Company consisting of Paladin Energy Ltd ("Company") and the entities it controlled ("Group") at the end of, or during, the six months ended 31 December 2021.

Directors

The following persons were Directors of the Company during the whole of the six months and up to the date of this report unless otherwise indicated:

Mr Cliff Lawrenson (Non-executive Chairman)
Mr Peter Main (Non-executive Director)
Mr Peter Watson (Non-executive Director)
Ms Melissa Holzberger (Non-executive Director)
Ms Joanne Palmer (Non-executive Director)

Review of Operations

A detailed Operating and Financial Review of the Group is set out on pages 3 to 5.

The loss after tax attributable to the ordinary equity holders for the six months ended 31 December 2021 was US\$3,541,000 (loss after tax of US\$19,189,000 for the six months ended 31 December 2020).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 7, which forms part of the Directors' Report.

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 the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

Signed in accordance with a resolution of the Directors.



Mr Cliff Lawrenson
Chairman
Perth, Western Australia
24 February 2022



Auditor's Independence Declaration

As lead auditor for the review of Paladin Energy Ltd for the half-year ended 31 December 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 review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Justin Carroll'.

Justin Carroll
Partner
PricewaterhouseCoopers

Perth
24 February 2022

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED INCOME STATEMENT

		Six months ended 31 December	
	Note	2021	2020
	s	US\$'000	US\$'000
Revenue			
Revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Other Income			
Other income		508	2,026
Foreign exchange gain (net)		6,292	-
Total		6,800	2,026
Administration, marketing and non-production costs	5	(11,401)	(10,600)
Foreign exchange loss (net)		-	(4,697)
Loss before interest and tax		(4,601)	(13,271)
Finance costs		(6,384)	(11,960)
Net loss before income tax		(10,985)	(25,231)
Income tax expense		(1)	(147)
Net loss after tax		(10,986)	(25,378)
Attributable to:			
Non-controlling interests		(7,445)	(6,189)
Members of the parent		(3,541)	(19,189)
Net loss after tax		(10,986)	(25,378)
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)		(0.1)	(0.9)

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

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 December	
	2021	2020
	US\$'000	US\$'000
Net loss after tax	(10,986)	(25,378)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	(1,019)	1,966
Items that will not be reclassified to profit or loss:		
Changes in the fair value of equity investments at fair value through other comprehensive income	434	3,657
Foreign currency translation attributable to non-controlling interests	-	-
Other comprehensive income for the period, net of tax	(585)	5,623
Total comprehensive loss for the period	(11,571)	(19,755)
Total comprehensive loss attributable to:		
Non-controlling interests	(7,445)	(6,189)
Members of the parent	(4,126)	(13,566)
	<u>(11,571)</u>	<u>(19,755)</u>

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

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2021 US\$'000	As at 30 June 2021 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents		38,040	30,661
Restricted cash		1,000	1,000
Trade and other receivables		2,097	1,978
Prepayments		1,363	1,259
Inventories		5,121	5,123
TOTAL CURRENT ASSETS		47,621	40,021
Non current assets			
Trade and other receivables		4,778	4,776
Non-current financial assets	6	-	12,880
Property, plant and equipment	7	171,817	178,089
Right-of-use assets		787	780
Mine development		15,862	16,748
Exploration and evaluation expenditure	8	100,216	99,557
Intangible assets		8,052	8,312
TOTAL NON CURRENT ASSETS		301,512	321,142
TOTAL ASSETS		349,133	361,163
LIABILITIES			
Current liabilities			
Trade and other payables		1,496	2,262
Lease liabilities		54	49
Provisions		300	540
TOTAL CURRENT LIABILITIES		1,850	2,851
Non current liabilities			
Other interest bearing loans - CNNC		73,336	68,743
Lease liabilities		762	788
Provisions		39,490	42,073
TOTAL NON CURRENT LIABILITIES		113,588	111,604
TOTAL LIABILITIES		115,438	114,455
NET ASSETS		233,695	246,708
EQUITY			
Contributed equity	4(a)	2,489,228	2,489,082
Reserves		(73,024)	(59,354)
Accumulated losses		(2,139,184)	(2,146,511)
Parent interests		277,020	283,217
Non-controlling interests		(43,325)	(36,509)
TOTAL EQUITY		233,695	246,708

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

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

	Contributed Equity US\$'000	Reserves US\$'000	Accumulated Losses US\$'000	Owners of the Parent US\$'000	Non- Controlling Interests US\$'000	Total US\$'000
Balance at 1 July 2020	2,327,789	(70,269)	(2,104,132)	153,388	(60,389)	92,999
Loss for the period	-	-	(19,189)	(19,189)	(6,189)	(25,378)
Other comprehensive income	-	1,966	-	1,966	-	1,966
Revaluation of financial assets	-	3,657	-	3,657	-	3,657
Total comprehensive loss for the period, net of tax	-	5,623	(19,189)	(13,566)	(6,189)	(19,755)
Share-based payment	-	223	-	223	-	223
Vesting performance rights	242	(242)	-	-	-	-
Balance at 31 December 2020	2,328,031	(64,665)	(2,123,321)	140,045	(66,578)	73,467
Balance at 1 July 2021	2,489,082	(59,354)	(2,146,511)	283,217	(36,509)	246,708
Loss for the period	-	-	(3,541)	(3,541)	(7,445)	(10,986)
Other comprehensive income	-	(585)	-	(585)	-	(585)
Total comprehensive loss for the period, net of tax	-	(585)	(3,541)	(4,126)	(7,445)	(11,571)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	(10,868)	10,868	-	-	-
Transfer of reserves on deregistration of subsidiaries through the income statement	-	(2,760)	-	(2,760)	-	(2,760)
Share-based payment	-	689	-	689	-	689
Vesting performance rights	146	(146)	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	629	629
Balance at 31 December 2021	2,489,228	(73,024)	(2,139,184)	277,020	(43,325)	233,695

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

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	31 December	
	2021	2020
	US\$'000	US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(3,904)	(2,942)
Other income	129	1,327
Interest received	28	66
Tax paid	(1)	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,748)	(1,549)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(144)	(32)
Proceeds from sale of property, plant and equipment	-	35
Proceeds from disposal of financial assets at fair value through profit or loss	13,386	-
Capitalised exploration expenditure	(662)	(667)
LHM restart planning costs	(932)	(978)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	11,648	(1,642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other interest-bearing loans - CNNC	537	-
NET CASH INFLOW FROM FINANCING ACTIVITIES	537	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,437	(3,191)
Cash and cash equivalents at the beginning of the period	30,661	34,237
Effects of exchange rate changes on cash and cash equivalents	(1,058)	775
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	38,040	31,821

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

**PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

NOTE 1. CORPORATE INFORMATION

The Interim Financial Report of the Group for the six months ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 24 February 2022.

Paladin Energy Ltd is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the ASX and the NSX in Namibia. 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 George's 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 3 to 5.

NOTE 2. BASIS OF PREPARATION

This consolidated interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Australian Accounting Standards Board ("AASB") 134 *Interim Financial Reporting* and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this unaudited report is to be read in conjunction with the Annual Report for the year ended 30 June 2021 and any public announcements made by Paladin during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim 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. The Company is an entity to which the Instrument applies.

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

New and amended accounting standards and interpretations

From 1 July 2021 the Group has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2021. The Group has not elected to early adopt any new accounting standards and interpretations.

NOTE 3. 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 Namibia⁽¹⁾ is the production and sale of uranium from the mine located in this country. The Australian segment includes the Company's sales and marketing, corporate and administration expenditure. The Exploration⁽²⁾ 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.

(1) In May 2018, the Company received the consent of relevant stakeholders to place LHM into C&M.

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

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 3. SEGMENT INFORMATION (continued)

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.

The following tables present revenue, expenditure and asset information regarding operating segments for the six months ended 31 December 2021 and 31 December 2020.

Six months ended 31 December 2021	Exploration US\$'000	Namibia US\$'000	Australia US\$'000	Consolidated US\$'000
Sales to external customers	-	-	-	-
Total consolidated revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	4,642	2,158	6,800
Other expenses	-	(9,030)	(2,371)	(11,401)
Segment loss before income tax and finance costs	-	(4,388)	(213)	(4,601)
Finance costs	-	(3,191)	(3,193)	(6,384)
Segment loss before income tax	-	(7,579)	(3,406)	(10,985)
Income tax expense	-	-	(1)	(1)
Segment loss after income tax	-	(7,579)	(3,407)	(10,986)
At 31 December 2021				
Segment total assets	94,491	209,195	45,447⁽¹⁾	349,133

⁽¹⁾ Includes US\$39,040,222 in cash and cash equivalents.

Six months ended 31 December 2020	Exploration US\$'000	Namibia US\$'000	Australia US\$'000	Consolidated US\$'000
Sales to external customers	-	-	-	-
Total consolidated revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	-	20	3,282	3,302
Other expenses	-	(15,022)	(1,551)	(16,573)
Segment (loss)/profit before income tax and finance costs	-	(15,002)	1,731	(13,271)
Finance costs	-	(3,031)	(8,929)	(11,960)
Segment loss before income tax	-	(18,033)	(7,198)	(25,231)
Income tax expense	-	-	(147)	(147)
Segment loss after income tax	-	(18,033)	(7,345)	(25,378)
At 31 December 2020				
Segment total assets	93,497	221,528	47,917⁽¹⁾	362,942

⁽¹⁾ Includes US\$37,110,306 in cash and cash equivalents.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 4. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Ordinary shares	Number of Shares		US\$'000	US\$'000
Issued and fully paid	2,678,839,972	2,677,756,397	2,489,228	2,489,082

(b) Share Appreciation Rights (SARs)

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

	31 December 2021	30 June 2021
	Number	Number
Number of unlisted employee share appreciation rights	4,429,250	5,708,500

Consisting of the following:

Date granted	Exercisable date	Expiry date	Fair value	Exercise price	Number
20 October 2015	1 November 2017	1 November 2022	A\$0.13	A\$0.20	50,000
20 October 2015	1 November 2018	1 November 2023	A\$0.13	A\$0.20	50,000
27 September 2016	1 November 2017	1 November 2022	A\$0.08	A\$0.20	81,000
27 September 2016	1 November 2018	1 November 2023	A\$0.08	A\$0.20	81,000
27 September 2016	1 November 2019	1 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	157,500
1 October 2019	1 October 2022	1 October 2027	A\$0.05	A\$0.12	313,750
27 October 2020	9 November 2022	9 November 2027	A\$0.13	A\$0.00	600,000
14 December 2020	21 December 2021	21 December 2026	A\$0.21	A\$0.00	100,000
14 December 2020	21 December 2022	21 December 2027	A\$0.21	A\$0.00	100,000
Total					4,429,250

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. CONTRIBUTED EQUITY (continued)

(c) Performance Rights (PRs)

Issued unlisted employee performance rights outstanding to employees of the Company are as follows:

	31 December 2021 Number	30 June 2021 Number
Number of unlisted employee performance rights	9,100,639	-

Consisting of the following:

Date granted	Expiry date	Fair value	Vesting price	Number
7 September 2021 ⁽¹⁾	27 September 2022	A\$0.82	A\$0.00	1,220,000
7 September 2021 ⁽¹⁾	27 September 2023	A\$0.82	A\$0.00	2,220,000
3 November 2021 ⁽²⁾	30 June 2024	A\$0.705	A\$0.00	2,830,320
3 November 2021 ⁽²⁾	30 June 2025	A\$0.766	A\$0.00	2,830,319
Total				9,100,639

(1) These PRs have been issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a PR.

(2) These PRs will vest subject to the TSR of the Company over the three-year performance period commencing on 1 July 2021, relative to the TSR performance of each constituent of respective peer groups. In benchmarking the TSR performance a weighting of 50% will apply to each of the peer groups.

(d) Movements in ordinary shares on issue

Date		Number of Shares	Issue Price A\$	Exchange Rate US\$: A\$	Total US\$'000
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 payments reserve				2,355
Transaction costs					(7,621)
Balance 30 June 2021		2,677,756,397			2,489,082
August 2021	SARs exercised	134,674			
September 2021	SARs exercised	95,078			
September 2021	SARs exercised	79,804			
October 2021	SARs exercised	174,019			
November 2021	SARs exercised	600,000			
	Transfer from share based payments reserve				146
Balance 31 December 2021		2,678,839,972			2,489,228

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 5. EXPENSES

	Six months ended 31 December	
	2021 US\$'000	2020 US\$'000
Administration, marketing, care and maintenance, and non-production costs		
Corporate and marketing	(1,615)	(1,323)
LHM mine site	(1,560)	(1,606)
LHM depreciation	(7,425)	(7,443)
Other costs	(112)	(58)
Share-based payments	(689)	(170)
Total	(11,401)	(10,600)

NOTE 6. NON-CURRENT FINANCIAL ASSETS

	31 December 2021 US\$'000	30 June 2021 US\$'000
Non-current financial assets	-	12,880

At 30 June 2021, the Group held an investment of 90,000,000 shares in Lotus Resources Limited (Lotus) that were subject to a 12-month voluntary escrow ending on 13 March 2021. These shares were valued at fair value through other comprehensive income. Since 1 July 2021, the shares were sold off market at A\$0.20 per share, for gross proceeds of A\$18M (US\$13,386,000). Immediately prior to the sale the shares were revalued to fair value of US\$14,879,000 based on the closing share price immediately prior to sale. On sale the amount in the Asset Revaluation Reserve associated with those shares of US\$10,868,000 was transferred to retained earnings (net of tax \$Nil).

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	31 December 2021 US\$'000	30 June 2021 US\$'000
Plant and equipment (at cost) ⁽¹⁾	370,438	369,442
Less accumulated depreciation and impairment	(203,604)	(196,517)
Total plant and equipment	166,834	172,925
Land and buildings (at cost) ⁽²⁾	9,860	9,860
Less accumulated depreciation	(5,634)	(5,452)
Total land and buildings	4,226	4,408
Construction work in progress (at cost) ⁽³⁾	757	756
Less impairment	-	-
Total construction work in progress	757	756
Total property, plant and equipment	171,817	178,089

⁽¹⁾ Includes additions of US\$143,440 (30 June 2021: US\$38,253)

⁽²⁾ Includes additions of US\$Nil (30 June 2021: US\$Nil)

⁽³⁾ Includes additions of US\$Nil (30 June 2021: US\$Nil)

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. Since 30 June 2021, there have been no events or changes in circumstances to indicate that the carrying value may not be recoverable.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 8. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the expenditures on interests in mineral properties by area of interest for the period ended 31 December 2021:

	Australia (Valhalla /Skal)	Australia (Isa North)	Australia (Carley Bore)	Canada⁽¹⁾	Australia (Manyingee/ Other)	Australia (Fusion)	Namibia (Langer Heinrich)	Total
Areas of interest	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance 30 June 2021	39,520	7,802	7,917	31,340	7,524	228	5,226	99,557
Expenditure capitalised	90	195	24	300	54	71	932	1,666
Foreign exchange differences	-	-	-	(1,007)	-	-	-	(1,007)
Balance 31 December 2021	39,610	7,997	7,941	30,633	7,578	299	6,158	100,216

- (1) Paladin currently holds a 65% interest in a special purpose joint venture (Michelin Joint Venture) that owns the Michelin Project. The Michelin Joint Venture includes a mandatory transfer provision over a four-year period whereby Paladin will receive an additional 5% participating interest in the Michelin Project on an annual basis (up to 75%) in return for Paladin funding all obligations for the Michelin Project over this period. Paladin recognises control over the Michelin Joint Venture resulting in the consolidation of 100% of the Canadian assets with a non-controlling interest recognised for Michelin Nominees Limited's 35% interest in the Michelin Project.

PALADIN ENERGY LTD AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

NOTE 9. COMMITMENTS AND CONTINGENCIES

There were no outstanding commitments or contingencies, which are not disclosed in the Financial Report of the Group as at 31 December 2021 other than:

	31 December 2021 US\$'000	30 June 2021 US\$'000
Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	44	90
Later than one year but not later than 5 years	657	681
More than 5 years	474	493
	<hr/>	<hr/>
Total tenements commitments	1,175	1,264
	<hr/>	<hr/>
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:		
Within one year	147	145
Later than one year but not later than 5 years	919	1,023
More than 5 years	501	558
	<hr/>	<hr/>
Total other commitments	1,567	1,726
	<hr/>	<hr/>

NOTE 10. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed below, since the 31 December 2021, 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 with the exception of the following, the financial effects of which have not been provided for in the 31 December 2021 Financial Report:

Directors' Declaration

In accordance with a resolution of the directors of Paladin Energy Ltd, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of Paladin Energy Ltd for the half-year ended 31 December 2021 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 31 December 2021 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) subject to the matters set out in Note 3 to the Financial Statements, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr Cliff Lawrenson
Chairman
Perth, Western Australia
24 February 2022



Independent auditor's review report to the members of Paladin Energy Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Paladin Energy Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Paladin Energy Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Justin Carroll

Justin Carroll
Partner

Perth
24 February 2022