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ANNUAL REPORT  
2023



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# Contents

|                                                |     |
|------------------------------------------------|-----|
| Chair’s Letter                                 | 5   |
| Insights from the CEO                          | 6   |
| Operating and Financial Review                 | 10  |
| Ore Reserves and Mineral Resources             | 26  |
| Environmental, Social and Governance           | 32  |
| Corporate Governance Statement                 | 40  |
| Directors’ Report                              | 42  |
| Remuneration Report                            | 50  |
| Auditor’s Independence Declaration             | 68  |
| Contents of Financial Report                   | 69  |
| Consolidated Income Statement                  | 71  |
| Consolidated Statement of Comprehensive Income | 72  |
| Consolidated Statement of Financial Position   | 73  |
| Consolidated Statement of Changes in Equity    | 75  |
| Consolidated Statement of Cash Flows           | 76  |
| Notes to the Consolidated Financial Statements | 77  |
| Directors’ Declaration                         | 120 |
| Independent Audit Report                       | 121 |
| Additional Information                         | 126 |
| Corporate Directory                            | 131 |

As the world continues to move towards a decarbonised economy, Paladin is in the enviable position of being able to make a significant contribution, underpinned by a world class, long life mine located in a premier jurisdiction.



## Chair's Letter



Dear Shareholders,

The 2023 Financial Year saw Paladin continue to execute on our strategy of returning the Langer Heinrich Mine (LHM) to production. The Restart Project is well advanced. The work executed combined with our well-defined pathway to production and the quality of our on-site operational and project management team ensure the project remains on track and on budget for first production in the first quarter of CY2024.

The restart of production at the LHM builds on the 10 year production history of the asset. The project has reserve life to support 17 years of operations with annual peak production representing around 4% of annual global uranium production<sup>1</sup> – a considerable contributor to the evolution to a carbon-free energy economy.

We have secured a strong uranium offtake portfolio with leading top tier global counterparties that will underpin the restart of the LHM. The LHM production is in strong demand from global utilities given the strategic importance of Namibia as a reliable, independent jurisdiction and the proven nature of our product. We will continue to layer our offtake contracts to ensure we provide a financially robust offtake position for the project. Importantly our contract book remains overweight to market-related pricing mechanisms to ensure that our Company continues to benefit from the strong demand and pricing outlook for uranium.

Nuclear energy remains one of the most cost effective and lowest carbon emitting forms of energy generation and the only viable long-term source of low carbon emission baseload power. Nuclear energy has received bipartisan political support in the United States of America and will benefit from the funds and grants available via the Inflation Reduction Act. Government support for nuclear is also significant across Europe where it has been recognised as a green source of energy by the European Union.

The growing global support for nuclear as a low carbon source of energy will continue to drive the underlying demand for uranium. With limited investment in new uranium mines, there is a growing supply deficit that is anticipated to remain at over 40Mlb per annum over the next decade. The LHM is set to deliver production into an increasingly supportive demand and price environment and Paladin stands ready to be part of a sustainable future.

Paladin is wholly committed to a best practice, globally accredited Environmental, Social and Governance (ESG) framework that sets standards of organisational behaviour and holds us firmly accountable. Our activities are underpinned by our ESG framework which is vitally important to us, and we work hard to ensure that both our personal and our organisational values and actions align with these standards. Paladin was delighted to welcome Dr Jon Hronsky OAM and Mrs Lesley Adams to the Paladin Energy Board during the year. Their extensive experience expands the complimentary skill set of the Paladin Board and reflects the Company's commitment to maintaining the highest standards of leadership and governance.

I would like to extend my thanks to all of our stakeholders who continue to support our Company as we work towards restarting the LHM. In particular, I would like to thank all of our staff, led by our CEO Ian Purdy, for your ongoing hard work and commitment. Finally, and most especially I wish to express my thanks to shareholders for continuing to offer trust and support as we return Paladin to production.

Together, we look forward to building a positive and sustainable future for our Company and for the planet.

Yours faithfully

**Cliff Lawrenson**  
Chair

<sup>1</sup>UxC 2Q 2022. Production includes existing and returning production during Paladin's peak production phase (as noted in the ASX Announcement "Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update" dated 4 November 2021)

## Insights from the CEO



Dear Shareholders,

Paladin is on a clear pathway to becoming a globally significant independent uranium producer, helping the transition to a low-carbon global economy. Activities to restart production at the Langer Heinrich Mine (LHM) advanced during the year and the project remains on track and budget for first production in the first quarter of CY2024. The low risk, brownfield restart activities at LHM are supported by a combination of:

- Well defined pathway to production
- Strong in-country management and EPCM team
- Industry leading offtake portfolio
- Growing demand for uranium supported by increasing government support and incentives for nuclear energy
- Strong balance sheet
- Supportive local government and communities in Namibia.

With a structurally improving demand environment for uranium, an exceptional world-class project and strong sustainability credentials, Paladin remains positioned to continue to deliver sustainable returns to our shareholders.

### ACTIVITIES AT THE LHM REMAIN ON TRACK AND BUDGET

Paladin's owner team, alongside EPCM partner, ADP, continue to progress and execute activities focused on returning the LHM to production.

The Restart Project site works remain focused on general Repairs and Refurbishment activities to return the existing process plant to operational readiness. In parallel, ADP continues to provide engineering and procurement services for the delivery of the Growth Project's process upgrades to increase throughput capacity and operational availability.

The Restart Project is well advanced and the following activities were progressed over FY2023:

- Over 850,000 lost time injury free project manhours executed at the end of FY2023
- Contractor workforce fully ramped up to anticipated peak with over 1,000 personnel on site, many from local communities
- Delivery of critical construction materials, plant and equipment to site, including the Hydrosort classifier, agitators, thickeners, cyclones, structural steel, prefabricated tanks and tank strakes
- Progression of Growth Project steel fabrication activities, including construction of the Hydrosort structure, other structural steel, plate works and leach surge tanks
- Workshop site assembly and testing of the automated and dustless drumming plant
- Mobilisation of the Project Commissioning Manager and commissioning team
- Shipment of the ion-exchange resin, required for the uranium extraction process
- Onboarding of the General Manager, Langer Heinrich Operations – Mining and the Process Manager
- An independent operational readiness gap assessment was completed, confirming the LHM is well placed for operations
- Recruitment strategies for the operational workforce and initial engagements with potential mining contractors have commenced.

Activities for FY2024 until first production include:

- Completion of the Repair & Refurbishment and Growth Project works
- Introduction of stockpile ore
- Completion of the operational readiness programme
- Completion of commissioning and handover to LHM Operations.

The extensive body of work conducted in FY2023, coupled with years of detailed planning are ensuring that the project remains on track and on budget for production in the first quarter of CY2024.



All permits and licenses for the project remain in good standing and we have secured the necessary water and power contracts. The extensive body of work conducted in FY2023, coupled with years of detailed planning are ensuring that the project remains on track and on budget (US\$118M) for first production in the first quarter of CY2024.

## GOVERNMENT SUPPORT FOR NUCLEAR ENERGY TO DRIVE URANIUM DEMAND

Nuclear energy will continue to play an important role in the transition to a low carbon economy. Increasingly, governments around the world are recognising the importance of uranium's base load power capabilities to power grids that are becoming increasingly supplied by intermittent renewable power.

In the USA, there is bipartisan political support for nuclear energy, and in the EU, nuclear has been recognised as a green source of energy. Globally there are over 59 new reactors under construction<sup>1</sup>. And in China, the commitment to nuclear energy continues to strengthen with demand expected to grow from 18% to 35% of global requirements by 2040<sup>2</sup>.

Whilst there is strengthening support for demand for nuclear energy and uranium, the supply remains tight with limited sources of production growth. Large recent uranium mine closures such as Cominak and Ranger, combined with the lack of new mine supply, are anticipated to see approximately a 40Mlb per annum supply deficit persist to the end of this decade. Global uranium production in 2023 is forecast to be at 142Mlb<sup>3</sup>, significantly below total demand of 177Mlb. In recent years, the deficit has been met by secondary supplies and inventory drawdowns by utilities.

Inventory overhang is largely over and utilities are returning to contracting with primary producers. CY2022 saw over 125Mlb of term contracts signed, a 74% increase on the prior year, as utilities look to lock in their future uranium demand requirements<sup>4</sup>. The pricing environment has strengthened significantly across the entire nuclear value chain, including uranium, conversion and enrichment.

Paladin has taken advantage of the nuclear industry's growing demand for long term uranium supply by constructing a leading offtake contract book to underpin the restart of the LHM.

At Paladin, we are committed to making a valuable contribution to the reduction in carbon emissions. The uranium that will be mined and processed at the LHM will be used to resource nuclear power plants, displacing gas and coal-fired electricity.

## SECURING AN INDUSTRY LEADING CONTRACT BOOK

As part of our decision for restarting production at LHM, Paladin put in place a strategy to secure a global contract book with industry leading counterparties to underpin the financial security of our Company. Furthermore, our very targeted uranium marketing activities were aimed at reducing the impact of our supply on the spot market and ensuring that Paladin remains overweight to market pricing early in the uranium market up-cycle.

That strategy has been highly successful. In addition to our Life of Mine offtake with CNNC<sup>5</sup>, a leading Chinese nuclear utility and one of the largest consumers of uranium in the world, we have secured offtake agreements with five leading counterparties in the United States and Europe. These organisations have a combined market capitalisation of over US\$200 billion and represent the leading offtake parties in the global uranium industry. The strong demand for our product has been driven by a combination of the known quality of the LHM production and the due diligence that the counterparties conducted on our ability to bring the LHM back into production.

Our contracts have secured approximately 48% of our production estimate from CY2024 to CY2030<sup>6</sup>. Importantly only 19% of the volume over that period is exposed to base-escalated price mechanisms, ensuring we retain our exposure to strengthening uranium pricing fundamentals.

We will continue to layer our contract book to ensure we provide the right balance of risk protection and pricing upside to our shareholders.

<sup>1</sup>WNA, May 2023

<sup>2</sup>TradeTech Uranium Market Study, 2Q 2023. Based on Western world demand

<sup>3</sup>TradeTech Uranium Market Study, 2Q 2023, FAM2

<sup>4</sup>UxC Uranium Market Outlook 2Q 2023

<sup>5</sup>CNNC Overseas Limited

<sup>6</sup>Based on Langer Heinrich Uranium Life of Mine production to CY2030, as detailed in the ASX Announcement "Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update" dated 4 November 2021. All material assumptions underpinning the production target continue to apply and have not materially changed. Contract coverage and pricing mechanism calculations are based on nominal contract volumes of executed offtake agreements. Assumes CNNC takes 25% of production post 2025 (Life of Mine offtake). Base-escalated contracts include a contract with a fixed price mechanism incorporating a specified escalation rate. Subject to customary conditions precedent contained in offtake agreements, including the requirement to receive Namibian Government and other regulatory approvals

## SUSTAINABILITY AND PALADIN

Paladin is committed to the core principle of delivering value through sustainable development. At Paladin, we are guided by four key values that are at the core of everything we do:



**Integrity:** We act with integrity and honesty in all we do and say



**Respect:** We respect and value all people equally



**Courage:** We meet all challenges and seize opportunities with courage



**Community:** We invest in our communities to create lasting value

Our values are supported by the Board, management and employees at all levels throughout Paladin, and are central to relationships between all employees and stakeholders. These values and their aligning value statements, define who we are as a Company and provide the foundation of our culture.

As Paladin moves towards production, the structured implementation of Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD) frameworks will increase the level of detail reported over time, and will provide a more complete representation of Paladin's performance to all key stakeholders.

Paladin is pleased to provide further details of our Sustainability Commitment on pages 32 to 38 and we look forward to releasing our annual Sustainability Report in October 2023.

## OUR PEOPLE

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. Importantly, during the year we recorded no lost-time injuries.

Our strategic recruitment processes ensure that our organisation has the expertise to successfully execute the Company's strategy. We have bolstered our management team by the addition of Paul Hemburrow as Chief Operating Officer. In Namibia, we have expanded our in-country management team with the technical and leadership skills required to bring the LHM back into production, ensure its ongoing safe operation and continued positive engagement with local communities and the Government.

I would like to take this opportunity to thank all of our staff and contractors for your tireless and safe work over FY2023.

## OUTLOOK

Our core strategic focus is to execute at the LHM and return Paladin to being a globally significant uranium producer. With a strong project team on the ground in Namibia delivering on our robust and low risk project pathway, we expect the LHM will be producing uranium again in the first quarter of CY2024. I look forward to updating you over the course of the upcoming year on our progress.

I would like to thank our Board of Directors for their ongoing commitment and support. I would also like to thank our employees, contractors and consultants for their dedication, professionalism and efficiency throughout the year.

Finally, I would like to express my gratitude to you, our shareholders, for demonstrating your continued support for our Company. The advanced execution of the Langer Heinrich Mine Restart Project, a robust outlook for uranium markets and the knowledge that we actively contribute to the decarbonisation of global electricity generation positions us strongly to achieve future success.

Yours faithfully

**Ian Purdy**  
Chief Executive Officer

# Operating and Financial Review

## OVERVIEW OF OPERATIONS

Paladin Energy Ltd (ASX:PDN OTCQX:PALAF) is an Australian listed uranium company focused on returning the Langer Heinrich Mine (LHM) to commercial production in the first quarter of CY2024.

The LHM is a globally significant, long life operation, having already produced over 43Mlb U<sup>3</sup>O<sup>8</sup> over ten years prior to operations being suspended in 2018 due to low uranium prices. The mine's future-facing focus includes a robust Environmental, Social and Governance framework in place to support its contribution to decarbonisation.

Beyond the LHM, the Company also owns a large global portfolio of uranium exploration and development assets. Nuclear power remains a leading sustainable source of low-carbon global 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.

## HIGHLIGHTS

### Health and Safety

- Paladin had no lost-time injuries or reportable environmental incidents during FY2023
- Over 850,000 lost time injury free project manhours had been executed at the end of FY2023
- The LHM has adopted an upgraded Health, Safety and Environment framework with additional systems and processes as part of the Restart Project ramp up.

### Operational Performance

- On 19 July 2022, Paladin announced the decision to return the LHM to production, with first volumes targeted for the first quarter of CY2024
- Mr Paul Hemburrow was appointed as Paladin's Chief Operating Officer and commenced in February 2023
- Paladin's owner team, alongside EPCM partner, ADP, continue to progress and execute activities focused on returning the LHM to production
- Restart project activities are focused on general Repairs and Refurbishment to return the existing process plant to operational readiness, coupled with the delivery of Growth Projects such as process upgrades to increase throughput capacity and operational availability
- The project is well advanced and remains on track and on budget (US\$118M)
- All permits and licenses for the project remain in good standing
- Necessary power and water contracts have been secured
- The contractor workforce is fully ramped up to the anticipated peak with over 1,000 personnel on site, many from local communities
- Critical construction materials, plant and equipment have been delivered to site and Growth Project steel fabrication activities are progressing
- Mobilisation of the Project Commissioning Manager and commissioning team, and onboarding of the General Manager, Langer Heinrich Operations – Mining and the Process Manager have been completed
- An independent operational readiness gap assessment has been completed, confirming the LHM is well placed for operations
- Recruitment strategies for the operational workforce and initial engagements with potential mining contractors have commenced.

### Exploration

- During the year, the Company undertook the work required to meet minimum tenement commitments at its exploration projects in Canada and Australia, and rehabilitation monitoring continued across all locations without incident
- The Michelin Joint Venture owns the Michelin advanced exploration project in Labrador, Canada. 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 Aurora's interest from 70% to 75%
- Paladin will retain its 75% interest in the Michelin Joint Venture, having completed the process required under the Michelin Joint Venture Agreement to use best efforts to sell the entirety of the joint venture on commercially acceptable terms
- The FY2024 summer field exploration program at Michelin will commence shortly, with detailed geological and structural mapping of the entire tenement to be undertaken. Ground electrical geophysics activity planning and refurbishment of the camp due to increased exploration activities will also be initiated.

### Uranium Marketing Activities

- Paladin has secured cornerstone offtakes with foundation customers and has six offtake contracts executed with top tier counterparties in the US, Europe and China. The contract book for CY2024 is now closed. These contracts range in type and duration and provide base-escalated, fixed-price and market related price mechanisms. Along with the market-related contract in place with CNNC, Paladin will retain significant upside exposure to the strengthening uranium market fundamentals
- The Company is continuing to engage with top-tier industry counterparties, via RFP processes and off market discussions
- The Company's marketing team continues to progress commercial negotiations with conversion facilities and shipping providers ahead of the Company's return to production.

### Corporate

- Dr Jon Hronsky OAM and Mrs Lesley Adams were appointed as independent non-executive directors of the Company during FY2023
- The Group had cash and cash equivalents at 30 June 2023 of US\$126.6M (excluding restricted cash of US\$1M).

## FINANCIAL PERFORMANCE

| Key financial performance metric               |          | Year ended 30 June |          |          |
|------------------------------------------------|----------|--------------------|----------|----------|
|                                                |          | 2023               | 2022     | % Change |
| <b>Earnings</b>                                |          |                    |          |          |
| Average selling price                          | US\$/lb  | -                  | 47.00    | (100)    |
| U <sub>3</sub> O <sub>8</sub> sold             | lb       | -                  | 100,000  | (100)    |
| Revenue                                        | US\$'000 | -                  | 4,700    | (100)    |
| Cost of sales                                  | US\$'000 | -                  | (4,693)  | (100)    |
| Net loss after tax from continuing operations  | US\$'000 | <b>(27,058)</b>    | (43,939) | (38)     |
| <b>Cash Flows</b>                              |          |                    |          |          |
| Cash flows from operating activities           | US\$'000 | <b>(9,375)</b>     | (6,794)  | 38       |
| Capital expenditure                            | US\$'000 | <b>(39,599)</b>    | (3,427)  | 1,056    |
| Free cash flows                                | US\$'000 | <b>(48,974)</b>    | (10,221) | 379      |
| <b>Financial Position</b>                      |          |                    |          |          |
| Unrestricted cash and cash equivalents         | US\$'000 | <b>126,636</b>     | 177,066  | (28)     |
| Debt (principal amount + accrued interest)     | US\$'000 | -                  | -        | -        |
| Net debt                                       | US\$'000 | -                  | -        | -        |
| Total equity                                   | US\$'000 | <b>335,084</b>     | 358,412  | (7)      |
| Gearing ratio (Net debt / (net debt + equity)) | %        | -                  | -        | -        |

### Earnings

Net loss after tax from continuing operations decreased by 38%, mainly reflecting reduced depreciation costs of US\$2,738,000 (2022: US\$15,106,000) arising from a change in the basis for depreciating the LHM Plant as a result of the decision to return the LHM to production. In addition, there was a small foreign exchange gain of US\$584,000 (2022: foreign exchange loss US\$8,179,000) which is predominantly due to the foreign exchange translation of the environmental rehabilitation provision in Namibia. The Namibian dollar depreciated by 16% against the USD during the year, from US\$1:N\$16.1471 at 30 June 2022 to US\$1:N\$18.7246 at 30 June 2023.

### Cash Flows

The Group had unrestricted cash and cash equivalents at 30 June 2023 of US\$126.6M. Unrestricted cash and cash equivalents decreased by US\$50.4M during the year comprising of the following cash flows:

- Proceeds from sale of investments – receipts from sale of 393,363 shares in Global Atomic Corporation (TSX:GLO) of US\$805,000
- Proceeds from sale of Paladin (Africa) Ltd – receipt of the fourth and final tranche of repayment of funds advanced to provide security for the US\$10,000,000 environmental performance bond from Lotus Resources Ltd of US\$3,000,000

- Shareholder loans advanced – advance from CNNC to Langer Heinrich Uranium (Pty) Ltd of US\$85,000
- Langer Heinrich Restart Project costs – project expenditure of US\$35,955,000
- Langer Heinrich expenditure – expenditure for care and maintenance at Langer Heinrich Mine of US\$7,358,000
- Corporate expenditure – corporate expenditure of US\$6,272,000
- Exploration expenditure – minimum tenement commitments at its exploration projects of US\$1,910,000
- Property, plant and equipment – payments for property, plant and equipment of US\$734,000
- Effect of movement in exchange rates on cash held – an adverse movement of US\$5,346,000 arose predominantly on the Australian dollar holdings.



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## Financial Position

Unrestricted Group cash and cash equivalents decreased by 28% to US\$126,636,000. At 30 June 2023 Paladin holds no corporate debt. The Company's gearing ratio was Nil% from 30 June 2022 to 30 June 2023.

## Key Business Risks

This section describes the key business risks of Paladin:

- Uranium prices

The price of, and demand for, uranium remains sensitive to a number of external economic and political factors beyond Paladin's control, including (among others): global uranium supply and demand trends, political developments in uranium producing and nuclear power generating countries/regions, unanticipated destabilising events (such as Fukushima Daiichi nuclear accident in 2011 and the recent war in Ukraine), currency exchange rates, general economic conditions and other factors. As a result, the Company cannot provide an assurance as to the prices it will achieve for its uranium product in the future.

Nuclear energy is in direct competition with other more conventional sources of energy, including gas, coal and hydroelectricity and is the subject of negative public opinion due to political, technological and environmental factors. This may have a negative impact on the demand for, and the price of, uranium.

For example, the Fukushima Daiichi nuclear accident in 2011 negatively affected the uranium market, principally by reducing demand and impacting the spot and term prices for uranium. More recently, the Russian shelling of the Zaporizhzhia nuclear power plant in Ukraine has created further significant volatility in the uranium price. There is the potential for events to occur in the future that negatively impact the attractiveness of nuclear energy and therefore the demand for, and the price of, uranium.

Factors beyond the control of the Company may affect the marketability of uranium discovered. The uranium mining industry is competitive and there is no assurance that, even if significant quantities of uranium are discovered or extracted, a profitable market will exist for the sale of the uranium produced. In particular, there can be no assurance that uranium prices will be such that Paladin's properties can be mined at a profit.

Derivative instruments to manage and mitigate uranium price movements are not available in the market at this time. In any event, Paladin has no current exposure to uranium price movements except insofar as it relates to the restart of production at the Langer Heinrich Mine (LHM).

- Restarting operations

Paladin is moving towards the restart of the LHM in Q1 CY2024.

The Company faces customary risks relating to the restart of mining operations which could delay the recommencement of operations at the LHM or adversely affect the Company's recoverability of uranium from this mine. These include, without limitation, delays in renewals and approvals of requisite regulatory permits that are required to commence operations for mining, securing the required funding in connection with the work required to restart mining operations, recruitment of the necessary personnel, initiation of contracts for logistical suppliers and equipment and any inclement weather conditions. The recommencement of operations of the LHM may require working capital expenditure, experienced personnel, regulatory renewals and accessory works approvals.

If operations at the LHM are successfully commenced, Paladin's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.

Further, the Company does not expect to have any material revenues from its mining assets until after the recommencement of production of the LHM. Accordingly, Paladin is subject to all of the risks inherent in companies that have business that may not have cash flow or earnings. This may make it difficult for current and prospective investors to assess the likely future performance of the Company's mining assets.

- Cost estimates

Whilst care has been taken in estimating the capital cost and future operating costs for Paladin's projects, including contingency, the actual cost to restart operations at the LHM, constructing facilities and operating mines or process plants may vary from current estimates. Any such variations could adversely affect Paladin's future financial position and performance.

Capital resources may be required to be used in ways not previously anticipated or disclosed. The results and effectiveness of the application of capital resources are uncertain. If they are not applied effectively, Paladin's financial and/or operational performance may be adversely affected.

- Security of tenure

All tenements in which Paladin has interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant Ministries in Namibia, Canada and the various states and territories in Australia where Paladin has projects. The maintenance of tenements, obtaining renewals, or getting tenements granted often depends on Paladin being successful in obtaining required statutory approvals for proposed activities. Paladin may lose title to, or interests in, its tenements if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments.

In the jurisdictions in which Paladin operates, both the conduct of operations and the steps involved in acquiring interests will involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly completed, or that it is possible or practical to obtain evidence of compliance. In particular, tenements are subject to expenditure and work commitments which must be complied with in order to keep the tenements in good standing. In certain circumstances, these commitments may be varied at the discretion of the relevant mining authority. Failure to meet these commitments could lead to forfeiture of the tenement. Where tenement expenditures and work commitments or other regulatory requirements are not complied with, regulatory exemptions may need to be applied for within specified periods. Should exemptions not be applied for in time, or are applied for in time but are not ultimately granted, fines may be payable to avoid the tenements being forfeited or, in extreme cases, the tenements may be forfeited.

While Paladin anticipates that subsequent renewals or mineral tenure grants will be given as and when sought, there is no assurance that such renewals or grants will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

- Mineral Resources and Ore Reserves

The Mineral Resources and Ore Reserves for Paladin's assets are estimates only and no assurance can be given that any particular recovery level will in fact be realised. Paladin's estimates are prepared in accordance with either the reporting standard JORC 2004 or the reporting standard JORC 2012 but they are expressions of judgment from qualified professionals based on knowledge, experience, industry practice and resource modelling. As such, Mineral Resource and Ore Reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or revision.

Adjustments and revisions to Mineral Resources and/or Ore Reserves could in turn affect Paladin's development and mining plans, including the ability to sustain or increase levels of production in the longer term.

Often Mineral Resource and Ore Reserve estimates are appropriate when made, but may change significantly over time as new information becomes available. Should Paladin encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, estimates may need to be adjusted in a way that could adversely affect Paladin's operations and may have an impact on development and mining plans. There is also a risk that exploration targets will not be met and Mineral Resources cannot be converted into Ore Reserves.

Due to the uncertainty which may attach to inferred Mineral Resources, there is no assurance that inferred Mineral Resources will be upgraded to measured or indicated Mineral Resources or proven or probable Ore Reserves as a result of continued exploration.

- Speculative nature of mineral exploration and development

Development of Paladin's mineral exploration properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk increases substantially when a company's properties are in the exploration phase as opposed to the development, construction and operational phase. There is no assurance that commercial quantities of ore will be discovered on any of Paladin's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors including the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit such as size, grade, metallurgy and proximity to infrastructure, metal prices and government regulations, including the availability of required authorisations, permits and licences and regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

Successful development is also subject to a number of operational and other risks, including unexpected geological formations, conditions involved in the drilling and removal of material (which could result in damage and/or destruction to plant and equipment, loss of life or property, environmental damage and possible legal liability), obtaining governmental and stakeholder approvals, changes in Ore Reserves, commodity prices, exchange rates, construction costs, design requirements, delays in construction and expansion plans.

In addition, assuming discovery of a commercial ore body, several years can elapse (depending on the type of mining operation contemplated) from the initial phase of drilling until commercial operations are commenced.

Most of these factors are beyond the control of Paladin. In the event that the Company's exploration activities prove unsuccessful as a result of one or more of the above factors, Paladin may experience a diminution in the value of its projects, a reduction in its cash reserves and possible relinquishment of part or all of its projects.

- Political risks and government actions

The Company's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company's properties, the extent of which cannot be predicted. In particular, uranium extraction and processing has become the subject of increased environmental scrutiny and future legislation and government policy may impose additional obligations and costs on the Company in this regard.

Possible sovereign risks associated with Paladin's business and operations include, without limitation, changes in the terms of mining and tenure legislation (and its interpretation), changes in foreign ownership requirements, changes to royalty arrangements, changes to taxation rates and concessions, currency and other monetary controls, high inflation, expropriation and changes in the ability to enforce legal rights. Changes in community attitudes on matters such as environment and land rights issues may also bring about reviews and changes in government policy, which in turn could result in delays in operational activity and increases in capital or operating costs.

In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The Company's ability to exploit Mineral Resources and its other activities are also subject to obtaining necessary authorisation, permits and licences from relevant authorities. Such authorisations, permits and licences may not be granted in a timely manner or at all, or may be granted on conditions which impose significant additional cost on the Company and/or other participants in its joint ventures or which causes Paladin and/or such other participants in its joint ventures to become unwilling to proceed with the relevant development or operations.

While it is possible that costs and delays associated with compliance with such laws, regulations and permits could become such that the Company will not proceed with the development or operation of a mine, the Company is not aware of any material environmental constraint affecting its proposed mining activities or exploration properties that would preclude the economic development or operation of any specific mine or property except as otherwise described in this Annual Report.

The Company's projects may be subject to the effect of political changes, war and civil conflict, terrorist attacks, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact on the profitability and viability of its properties.

- Foreign jurisdictions

The Company's future operations are exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; terrorism, war and other hostilities; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the countries in which it operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, black economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

- Namibian regulatory matters

The LHM is located in Namibia, where mining is subject to specific regulation. There are also various regulations in place in this jurisdiction that relate to the exploration, development, production, exports, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and other matters. The cost of compliance with such laws and regulations will ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

There is a risk that government approvals may not be granted, may be significantly delayed or may make the LHM uneconomic.

- Exchange rates

The Company incurs expenditure in Australian, Canadian and Namibian dollars, whereas funds on hand are typically held in Australian or US dollars. As a result, the Company is subject to foreign currency fluctuations which may materially affect its financial position and operating results. The Company may consider hedging or derivative instruments to manage foreign exchange rate movements.

- Funding risk

Exploration and development of the various mineral properties in which Paladin holds interests depends upon Paladin's ability to obtain funding through operational cash flows, joint ventures, debt financing, equity financing or other means.

In addition, the Company is required in the ordinary course of operations and development to provide financial assurances (including insurances and performance bond or bank guarantee instruments) to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to the willingness of financial institutions and other third party providers of such assurances to issue such assurances for the Company's account.

Volatile uranium markets, or the factors affecting financial institutions and other third parties' assessments of the Company and its prospects, may make it difficult or impossible for the Company to obtain facilities for the issuance of such financial assurances or of other debt financing or equity financing on favourable terms or at all. Failure to obtain such facilities or financing on a timely basis may cause the Company to postpone its development plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations, which may have a material adverse effect on the Company's financial position and performance.

- Revenue and cash flow risks

The Company cannot provide assurance of its ability to operate its projects profitably. While Paladin intends to generate working capital through operating its uranium mines, there is no assurance that the Company will be capable of producing positive cash flow on a consistent basis or that any such funds will be available for exploration and development programs.

Future operating results depend to a large extent on management's ability to successfully manage growth. This necessarily requires rapid expansion and consolidation of all aspects of the business operations, such as the development of mining operations, revenue forecasting, an effective Mineral Resources marketing strategy, addressing new markets, controlling expenses, implementing infrastructure and systems and managing its assets and contractors. The inability to control the costs and organisational impacts of business growth, an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expenses or a failure to manage other issues arising from growth can have a material adverse effect on the Company's operating results.

- Future growth opportunities

The Company's business involves the acquisition and disposal of business ventures or interests in business ventures from time to time. There is a risk that Paladin may be unable to identify and/or execute suitable growth opportunities, and a failure to do so could have an adverse impact on the value of Paladin.

Further, business acquisitions entail a number of inherent risks, including (without limitation) the effective integration of the relevant asset or business (including the realisation of synergies), significant one-time write-offs or restructuring charges and unanticipated costs and liabilities. Any such acquisitions potentially expose Paladin to the risks commonly associated with undertaking such activities, including a failure to identify material adverse issues as part of due diligence, a failure to take sufficient mitigating action in respect of identified material issues, or underestimating the materiality of such issues. The Company may also become liable for the past acts, omissions or liabilities of companies or businesses or properties it has acquired or disposed of, which may be unforeseen or greater than anticipated.

- Joint ventures, agreements and other strategic partnerships may not be successful

The Company participates in several joint venture and shareholder arrangements and it may enter into similar arrangements in the future.

Although the Company has sought to protect its interests, existing and future joint ventures and agreements necessarily involve special risks.

Whether or not Paladin holds majority interests or maintains operational control in its joint ventures and agreements, its partners may:

- have economic or business interests or goals that are inconsistent with, or opposed to, those of the Company;
- exercise veto rights to block actions that the Company believes are in its or the joint venture's or agreement's best interests;
- take action contrary to the Company's policies or objectives with respect to its investments; or
- be unable or unwilling to fulfil their obligations under the joint venture or other agreements, such as contributing capital to expansion or maintenance projects.

Accordingly, the financial performance of Paladin will be exposed to any failure by participants of a joint venture to agree on a plan or any plan to develop a jointly owned asset, a refusal or inability of any joint owner of an asset to contribute its share of funding of the cost of development of a jointly owned asset, and to a risk of legal or other disputes with participants in any joint venture to which the Company is or may become a party.

Where projects and operations are controlled and managed by entities other than the Company, the Company may provide expertise and advice but it has limited control with respect to compliance with its standards and objectives. Improper management or ineffective policies, procedures or controls could adversely affect the value of related non managed projects and operations and, by association, damage the Company's reputation thereby harming the Company's other operations and access to new assets.

- Incorporated joint venture

The Company is a party to a shareholders agreement (Shareholders' Agreement) with CNNC Overseas Limited (CNNC), a subsidiary of China National Nuclear Corporation, in respect to the operations of Langer Heinrich Mauritius Holdings Limited (LHMHL), the ultimate owner of the LHM.

The Company holds a 75% interest in LHMHL whilst CNNC holds a 25% interest in that company. Under the Shareholders' Agreement, there are a number of "Fundamental Matters" which must be approved by a majority of directors of which at least one must be a CNNC nominee (for so long as CNNC holds at least a 14% interest), in effect giving the CNNC nominee a veto right over such matters.

The list of Fundamental Matters includes, but is not limited to, the approval of a mine expansion (and entering into financing arrangements to fund a mining expansion), any acquisition or disposal of LHMHL's assets for a market value greater than \$5 million, LHMHL entering into agreements with one of its shareholders (including shareholder loans), the issue of shares or convertibles, and amendments to the constituent documents of LHMHL. There can be no certainty or assurance that CNNC will approve any Fundamental Matter which it is required to consider, and it is possible that the failure to obtain such approvals could have an adverse impact on the viability of the Company's interest in LHMHL as well as the success and profitability of the joint venture arrangement.

The joint venture arrangements with CNNC are also subject to other risks normally associated with the conduct of an incorporated joint venture of this nature. These risks include, but are not limited to, the Company's inability to exert influence over certain strategic decisions (especially if they constitute Fundamental Matters); disagreement between the Company and CNNC over how to operate the LHM or any future variation or expansion of the LHM; the ability to fund LHMHL; the inability of shareholders to meet their obligations; and deadlocks or litigation between shareholders in relation to joint venture matters. Disputes between the joint venture partners have the potential to have a material adverse effect on the Company's financial performance and/or prospects.

- CNNC Offtake Agreement

Langer Heinrich Uranium (Pty) Ltd, the wholly owned subsidiary of LHMHL and the entity that holds the LHM, has entered into an offtake agreement with CNNC. Under that offtake agreement, CNNC is entitled to a pro-rata share of production from the LHM at a small discount to spot market prices for the life of the LHM. Recovery of product delivered under that offtake agreement may be difficult in the event of non-payment. Paladin is exposed to these risks through its 75% interest in LHMHL.

- Production risks

Commissioning of restart activities prior to the commencement of production at the LHM may not proceed to plan, with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production.

These potential delays or difficulties may necessitate additional funding for the Company and its related bodies. In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or that there will be other unexpected changes in variables upon which expansion and commissioning decisions were made, such as the fall in the price of uranium which contributed to the Company's decision to place the LHM on care & maintenance. These potential scope changes and/or cost overruns may also lead to reductions in revenues and profits and/or additional funding requirements.

The Company's activities may be affected by numerous other factors beyond the Company's control. Mechanical failure of the Company's operating plant and equipment and general unanticipated operational and technical activities may adversely affect the Company's operations. Operating risks beyond the Company's control may expose it to uninsured liabilities.

The business of mining, exploration and development is subject to a variety of risks and hazards such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards and the use of contractors including contract miners. Such occurrences may delay production, increase production costs or result in damage to and destruction of, mineral properties or production facilities, personal injury, environmental damage and legal liability. The Company has insurance to protect itself against certain risks of mining and processing within ranges of coverage consistent with industry practice. However, the Company may become subject to liability for hazards that it cannot insure against or that it may elect not to insure against because of high premium costs or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a material adverse effect on its financial condition and results of operations.

The Company has in the past undertaken, and is currently undertaking, a number of cost management and optimisation initiatives, but it cannot be assured that these will be delivered fully or in the timeframes intended, or that the extent of the savings delivered will be as anticipated.

- Processing operations

Paladin's operations will be subject to the operating risks associated with processing uranium, including performance of processing facilities against design specification and the related risks associated with storage and transportation of raw materials, products and residues. The hazards associated with Paladin's mining and processing operations and the related storage and transportation of products and residues include, but are not limited to:

- Pipeline and storage tank leaks and ruptures
- Explosions and fires
- Mechanical failures
- Chemical spills and other discharges or releases of toxic or hazardous substances or gases and
- Residue storage and tailings dam failures

These hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which may result in suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties, as well as damage to the Company's reputation. Although Paladin has detailed and closely managed plans to mitigate these risks and maintains property and casualty insurance of types and in the amounts that it believes is customary for its industry, Paladin is not fully insured against all potential hazards incidental to its businesses.

- Availability of key inputs including water

Infrastructure in most of Africa for utilities such as electricity and water supply is under strain and underdeveloped. Paladin depends on the reliable and continuous delivery of sufficient power and water supply to its projects. A serious failure of basic infrastructure or occurrences of power outages across the country could adversely affect production at the Company's operations in Africa.

Uranium mining activity is resource intensive and, as a result, the Company's costs and net earnings may be adversely affected by the availability or cost of energy, water, fuel or other key inputs. If the prices of key inputs rise significantly more than expected, or if the Company experiences interruptions in, or constraints on, its supply of key inputs, the Company's costs could increase and its results could be adversely affected.

- Offtake risk

The operations and revenues of Paladin are dependent on the counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, Paladin's revenue could be adversely affected. The risk of non-performance or attempted

renegotiations of terms by offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impacting the global market for uranium products. If Paladin is not able to achieve the required product specification to satisfy customer offtake agreements, there is no guarantee Paladin will be able to sell its product. There is no certainty that Paladin will be able to continuously meet product specifications particularly on account of the inherent risks associated with the extraction and processing of uranium.

- Supply chain and counterparty risk

The LHM operates within a complex supply chain. The Company depends on suppliers of raw materials, services, equipment and infrastructure to ensure its mine and process plant can operate and on providers of logistics to ensure products are delivered. Failure of significant components of this supply chain due to strategic factors such as business failure or serious operational factors, could have an adverse effect on the Company's business and results of operations.

The Company relies on various key customer and supplier relationships and on contractors to conduct aspects of its operations including mining operations. As such, the Company is exposed to risks related to their activities.

Although contracted services will be supervised by Paladin's employees, such arrangements with contractors carry with them risks associated with the possibility that the contractors may (among other things):

- have economic or other interests or goals that are inconsistent with Paladin
- take actions contrary to Paladin's instructions or requests or
- be unable or unwilling to fulfil their obligations

There can be no assurance Paladin will not experience problems with respect to its contractors and service providers in the future or that it will be able to find replacement contractors on acceptable terms in the event that contractors do not perform as Paladin expects and this may materially and adversely affect its business, results of operations, financial condition and prospects. Financial failure or default by any of the contractors or service providers used by Paladin in any of its activities may impact on operating and/or financial performance.

A loss or deterioration in any of these key customer and supplier relationships or a failure by customers, contractors or other counterparties to perform and manage their obligations to an acceptable standard and in accordance with key contracts could have a material adverse effect on Paladin's operations, financial condition and prospects. This is beyond the Company's control.

An interruption in raw material, electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials or inputs could also adversely impact the quality, efficiency or cost of production.

Any or all of these events could have an adverse impact on the Company's operations, its financial condition and financial performance and are beyond the Company's control.

- Logistics

Paladin depends on the availability and affordability of reliable transportation facilities, infrastructure and certain suppliers to deliver its products to market. A lack of these could impact Paladin's production and development of projects.

Logistical risk relates to long supply lines and lack of engineering and other support facilities close to the Company's operating sites. In Africa, the shipment of uranium concentrate for export could be subject to disruptions through shipment licensing delays, political disputes and natural disasters.

- Reliance on key personnel

Retaining qualified personnel is critical to the Company's success. The Company may face risks from the loss of key personnel as it may be difficult to secure and retain candidates with appropriate experience and expertise. One or more of the Company's key employees could leave their employment and this may adversely affect the Company's ability to conduct its business and, accordingly, affect the profitability, financial position and performance and prospects of the Company.

The Company's success also depends on its ability to identify, attract, accommodate, motivate and retain additional suitably qualified personnel. The number of persons skilled in the acquisition, exploration, development and operation of mining properties is limited and competition for such persons is high. If Paladin's business activity grows, it will require additional personnel to meet its growing needs. If Paladin is unable to access and retain the services of a sufficient number of qualified personnel, this could be disruptive to Paladin's development and may materially adversely affect its profitability, financial position and performance and prospects.

- Environmental

Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses.

The Company's operations may use hazardous materials and produce hazardous waste, which may have an adverse impact on the environment or cause exposure to hazardous materials. Despite efforts to

conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, Paladin may be subject to claims for toxic torts, natural resources damages and other damages. In addition, Paladin may be subject to the investigation and clean-up of contaminated soil, surface water and groundwater. This may delay the timetable of the projects and may subject Paladin to substantial penalties including fines, damages, clean-up costs or other penalties.

With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. Paladin could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, the storage, treatment and disposal of wastes and other issues.

Paladin operates in various markets, some of which face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption. Paladin has a comprehensive Anti-Bribery and Corruption Policy, and honours the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on Paladin's financial performance. Mining operations are subject to hazards normally encountered in exploration, development and production. These include weather, natural disasters and other force majeure events; unexpected maintenance or technical problems; unexpected geological formations; rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput; increases in labour costs, industrial action and other factors. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Company's operations and its financial results should any of these hazards be encountered.

- Climate change

Increased regulation of greenhouse gas emissions could adversely affect the Group's cost of operations. Mining of Mineral Resources including uranium is relatively energy intensive and depends on fossil fuels. Regulatory change by governments in response to greenhouse gas emissions may represent an increased cost to Paladin's profitability. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets or the introduction of a carbon tax in any jurisdiction in which the Company operates is likely to raise energy costs and costs of production.

- Health and safety

It is Paladin's intention to conduct its activities to the highest standards of occupational health and safety. Paladin has systems in place for the management of risks, however uranium exploration and mining is inherently a high risk environment with little margin for error. In addition, where Paladin has an interest located in a developing country, embedding systems for managing occupational health and safety risks, and maintaining and ensuring compliance with these systems may present challenges for Paladin. Interests in countries where HIV/AIDS, ebola, malaria, COVID-19 and other diseases may represent a threat to maintaining a skilled workforce in Paladin's projects.

There can be no assurance that such infections will not affect project staff, and there is the risk that operations and production could be affected in the event of such a safety threat. If there is a failure to comply with necessary occupational health and safety requirements, this could result in safety claims, fines, penalties and compensation for damages against Paladin, as well as reputational damage.

- Corporate culture and business conduct

Corporate culture can greatly influence individual and group behaviours. The behaviours that could expose Paladin to conduct risk include, but are not limited to:

- delays in appropriately escalating regulatory and compliance issues;
- failure to resolve issues in a timely manner; and
- failure to deliver on product and service commitments.

If Paladin's conduct and ethics related controls, frameworks and practices were to fail significantly, be set inappropriately, or not meet legal, regulatory, or community expectations, then Paladin may be exposed to reputational damage through fines, regulatory intervention or investigation, temporary or permanent loss of licenses, litigation and/or permanent loss of business.

- Community acceptance and reputation

The ongoing support of the local communities in which Paladin operates and the appropriate management of local community expectations is important to the successful operation of Paladin's projects and assets. Paladin's failure to effectively maintain and develop its relationships with local communities and stakeholders could result in those stakeholders being dissatisfied with Paladin and result in adverse outcomes for Paladin and its operations.

- Tax and royalty risks

Any change to the current rate of Company income tax or mineral royalties in jurisdictions where the company operates will impact on the profitability and performance of Paladin.

The Company is subject to complex tax laws. Paladin and its related bodies have incurred tax losses in Namibia, including during the period of care and maintenance. The Company considers that at this stage the recognised tax losses are able to be carried forward, however there is no guarantee that these tax losses will be available for utilisation under the Namibian tax legislation.

Changes in tax laws could adversely affect the Company's tax position, including the effective tax rate or tax payments. The Company often relies on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with the Company's interpretation of these laws. If the Company's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Company to pay taxes that it currently does not collect or pay, or increase the costs of the Company's services to track and collect such taxes, which could have a negative effect on the Company's business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on the Company's business, financial condition and results of operations.

- Legal action

Paladin is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, where claims may be with or without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Paladin is or may become subject could have a material effect on its financial position, results of operations or Paladin's mining and project development operations.

- General legal matters

Future earnings, asset values and the relative attractiveness of the Company's shares may be affected by changes in law and government policy in the jurisdictions in which the Company operates, in particular changes to taxation laws (including stamp duty and goods and services tax).

- Market competition

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

- Labour and employment matters

While Paladin has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant country governmental authorities which regulate its operations. Adverse changes in such legislation may have a material adverse effect on the Paladin's business.

As the Company's business grows, it will require additional staff for operations as well as additional key financial, administrative, mining, marketing and public relations personnel. In addition, given the remote location of the properties, the lack of infrastructure in the nearby surrounding areas and the shortage of a readily available labour force in the mining industry, the Company may experience difficulties retaining the requisite skilled employees in Namibia. It is important for the Company's continued success that it attracts, develops, retains and engages the right employees. A limited supply of skilled workers could lead to an increase in labour costs or Paladin being unable to attract and retain the employees it needs. When new workers are hired, it may take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely on some of the inherently dangerous tasks associated with the uranium mining industry. Failure to retain without appropriate replacement or to attract employees with the right skills for Paladin's businesses could have a material adverse effect on the Company's business. While the Company believes that it will be successful in attracting and retaining qualified personnel and employees, there can be no assurance of such success.

- Australia's uranium policy

At the national level of Australian politics, both the Federal Coalition parties and the Federal Labor Party support the development of the uranium industry. However, the granting of licences to mine uranium is a decision made within the residual jurisdiction of each State government and the government of the Northern Territory (NT).

The attitude of the various State and Territory governments to uranium mining differ. For example, the State government of South Australia supports existing mines and the government of the NT is also generally supportive of existing mines and is receptive to new uranium projects. The State government of Queensland permits uranium exploration, but bans uranium mining, whilst the current State government of Western Australia currently has a no-development uranium mining policy. The Company's prospects of developing its Australian uranium interests depends upon the extent to which government policy is supportive of uranium exploration and development activities.

Through membership of industry bodies, such as the Minerals Council of Australia, the Company is involved in initiatives focused on facilitating government support. There can be no assurance that State or Territory governments that currently permit uranium mining will continue to do so, or that they will not be replaced in elections with governments that will re-institute the moratorium on uranium mining in Australia, or that uranium mining will be allowed in States (such as Western Australia or Queensland) where uranium mining is currently not allowed. Any adverse change in State or Territory governmental policy may materially adversely affect the financial condition and results of operations of the Company and its related bodies.

- Native Title

In the context of interests of native and/or indigenous peoples in Australia, the Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. The risks arising because of native title and aboriginal land rights may affect the Company's ability to gain access to prospective exploration areas to obtain production titles. Mining tenement applications and existing tenements may be affected by native title claims or procedures (which may preclude or delay the granting of exploration and mining tenements), with the possibility of considerable expenses and delays involved in negotiating and resolving issues or obtaining clearances. Compensatory obligations may be necessary in settling native title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the Company's tenements.

- Aboriginal Title and consultation issues – Michelin Project

The Michelin Project is located within the traditional territory of the Inuit residing in Labrador, Canada. The area is governed by a modern day treaty which recognises the Inuit of Labrador's right to self-government through the Inuit Nunatsiavut Government. Five of the Company's deposits that comprise the Michelin Project fall within the Labrador Inuit Lands, use and access to which are governed by the Inuit Nunatsiavut Government.

Development of the Michelin Project requires the collaboration and support of the Inuit and potentially other aboriginal groups. There can be no assurance that title claims as well as related consultation issues will not arise on or with respect to the Company's properties, or with respect to access to the properties that comprise the Michelin Project. Failure to resolve such issues could result in delays to a potential project development.

- Access to land

The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

- Subsidiaries

Paladin is a holding company with no significant assets other than cash and the shares of its wholly-owned and non-wholly-owned Subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict Paladin's ability to fund its operations efficiently and to meet its payment obligations. Any such limitations, or the perception that such limitations may exist now or in the future, could also have an adverse impact on Paladin's valuation and share price.

- Major shareholder risk

There is a risk that Paladin's substantial shareholders may seek to sell down their shareholdings in Paladin. A significant sale of shares, or a perception that a sell down may occur, could adversely affect the price of Paladin's shares.

- Certain directors are involved in other mining interests

Certain directors of Paladin may be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnership or joint ventures which may be potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

- Estimates and assumptions are used in preparing consolidated financial statements

Preparation of the consolidated financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires Paladin to use its judgement to determine the amount to be recorded on its financial statements in connection with these estimates.

The Company reviews the carrying value of its tangible and intangible assets periodically to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. Changes in assumptions underlying the carrying value of certain assets, including assumptions relating to uranium prices, production costs, foreign exchange rates, discount rates, tax rates, the level of proved and probable reserves and measured, indicated and inferred Mineral Resources and market conditions, could result in impairment of such assets. No assurance can be given as to the absence of significant impairment charges in future periods, including as a result of further restructuring activities or changes in assumptions underlying carrying values as a result of adverse market conditions in the industry in which Paladin operates.

The Company's estimates and assumptions used in the value of its rehabilitation provisions represents the discounted value of the present obligation to rehabilitate its mines and to restore, dismantle and close its mines. The discounted value reflects a combination of the Company'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 on the carrying value of the provision. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

- General economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Adverse changes in macroeconomic conditions, including global and country-by-country economic growth, the cost and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of the Company and may result in material adverse impacts on the Company's business and its operating results. Changes in global macroeconomic conditions may result in reduced global economic activity, and therefore reduced demand for electricity. This may have a negative impact on the demand for, and price of, uranium.

- Share market conditions

The Company is listed on the ASX, the Namibian Stock Exchange (NSX) and certain exchanges in Germany and the price of the Paladin's shares is subject to the numerous influences that may affect both the trends in the share market and the share prices of individual companies, including movements in international and local stock markets, changes in the outlook for commodities (and, more specifically, uranium prices), inflation, interest rates, general economic conditions, changes in government, fiscal, monetary and regulatory policies. In the future, these factors may cause Paladin's shares to trade below current prices and may affect the income and expenses of the Company.

- Risk of dilution

The Company may undertake offerings of securities in the future to raise capital as well undertaking as equity-funded acquisitions, which may also dilute the holdings of investors. The increase in the number of shares issued and the possibility of sales of such shares may have a depressive effect on the price of shares already on issue.

- Dividends

Paladin expects to retain all earnings and other cash resources in the short term for the future operation and development of its business. Payment of any future dividends will be at the discretion of Paladin's Board of Directors after taking into account many factors, including Paladin's operating results, financial condition and current and anticipated cash needs. Paladin has not historically paid dividends and the payment of dividends in the future is not guaranteed.

- Insurance

Paladin seeks to maintain a range of insurance covers for its business operations. However, Paladin's insurance will not cover every potential risk associated with its operations. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on Paladin's financial condition and financial performance.

Without limitation, the Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure, or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits.

# Ore Reserves and Mineral Resources

## PROJECT LOCATIONS AND RESOURCE OVERVIEW



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 have not materially changed since it was last reported.

## 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 140Mt containing 128.1Mlb  $U_3O_8$  at a grade of 415ppm  $U_3O_8$  and 41.5Mlb  $V_2O_5$  at grade of 135ppm  $V_2O_5$  at a cut-off of grade of 200ppm  $U_3O_8$  with a cut-off grade of 250ppm  $U_3O_8$  applied to stockpiles.

The deposit is situated in the 15km long paleo drainage system located within the Gawib River valley between the Langer Heinrich and Schifferberg Mountains.

Langer Heinrich Mine Ore Reserves are estimated at 84.8Mt at a grade of 448ppm  $U_3O_8$  containing 83.8Mlb  $U_3O_8$ .

The Langer Heinrich Mine transitioned to care and maintenance in August 2018, and the decision to return the Langer Heinrich Mine to production was announced in July 2022. The project is well advanced and remains on track and on budget for first production in the first quarter of CY2024. Paladin owns a 75% interest in Langer Heinrich.

## 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 75% interest (which increased from 70% in May 2023) in a special purpose joint venture (the Michelin Joint Venture) which owns the Michelin Project. The Michelin Joint Venture included a farm-out agreement over a five-year period whereby Paladin received 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. This farm-out is now completed.

The mineral claims cover a significant area of prospective ground over the CMB. The claims contain 105.6Mlb  $U_3O_8$  Measured and Indicated Mineral Resources as well as an additional 22Mlb  $U_3O_8$  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  $U_3O_8$ , 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.

As required under the terms of the Michelin Joint Venture Agreement, Paladin conducted a sales process for the Michelin Project using best efforts to sell the entirety of the joint venture on commercially acceptable terms. Subsequent to year end the sales process was completed with no offers received for the Michelin Project that were considered acceptable.

## 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  $U_3O_8$  Measured and Indicated Mineral Resources as well as 42.2Mlb  $U_3O_8$  Inferred Mineral Resources at a cut-off grade of 250ppm  $U_3O_8$  for all deposits except Valhalla, which utilised a cut-off grade of 230ppm  $U_3O_8$ .

## 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  $U_3O_8$  grading 850ppm and an Inferred Mineral Resource of 10.2Mlb  $U_3O_8$  grading 850ppm (JORC Code (2012) compliant) at a cut-off grade of 250ppm  $U_3O_8$ .

### 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 JORC Code (2012) compliant Mineral Resources, 5.0Mlb  $U_3O_8$  grading 420ppm in the Indicated category and 10.6Mlb  $U_3O_8$  grading 280ppm in the Inferred category at a cut-off grade of 150ppm  $U_3O_8$ . 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 Group's Mineral Resources and Ore Reserves and the changes that have occurred within FY2023. There were no material changes to the Group's Mineral Resources and Ore Reserves.

| Uranium Mineral Resources                     | 30 June 2022 |                                         |                                   | 30 June 2023 |                                         |                                   | Change   |                                   |
|-----------------------------------------------|--------------|-----------------------------------------|-----------------------------------|--------------|-----------------------------------------|-----------------------------------|----------|-----------------------------------|
|                                               | Mt           | Grade ppm U <sub>3</sub> O <sub>8</sub> | Mlb U <sub>3</sub> O <sub>8</sub> | Mt           | Grade ppm U <sub>3</sub> O <sub>8</sub> | Mlb U <sub>3</sub> O <sub>8</sub> | Mt       | Mlb U <sub>3</sub> O <sub>8</sub> |
| <b>NAMIBIA: Langer Heinrich<sup>1 2</sup></b> |              |                                         |                                   |              |                                         |                                   |          |                                   |
| <b>Measured</b>                               |              |                                         |                                   |              |                                         |                                   |          |                                   |
| In-situ                                       | 79.1         | 450                                     | 78.6                              | 79.1         | 450                                     | 78.6                              | -        | -                                 |
| MG ROM stockpiles                             | 6.3          | 510                                     | 7.1                               | 6.3          | 510                                     | 7.1                               | -        | -                                 |
| LG ROM stockpiles                             | 20.2         | 325                                     | 14.5                              | 20.2         | 325                                     | 14.5                              | -        | -                                 |
| Total Measured                                | 105.6        | 430                                     | 100.2                             | 105.6        | 430                                     | 100.2                             | -        | -                                 |
| <b>Indicated</b>                              |              |                                         |                                   |              |                                         |                                   |          |                                   |
| In-situ                                       | 23.5         | 375                                     | 19.5                              | 23.5         | 375                                     | 19.5                              | -        | -                                 |
| <b>Inferred</b>                               |              |                                         |                                   |              |                                         |                                   |          |                                   |
| In-situ                                       | 11.0         | 345                                     | 8.4                               | 11.0         | 345                                     | 8.4                               | -        | -                                 |
| <b>TOTAL</b>                                  | <b>140.1</b> | <b>415</b>                              | <b>128.1</b>                      | <b>140.1</b> | <b>415</b>                              | <b>128.1</b>                      | <b>-</b> | <b>-</b>                          |

| Uranium Mineral Resources |                           | 30 June 2022 |                                               |                                      | 30 June 2023 |                                               |                                      | Change |                                      |
|---------------------------|---------------------------|--------------|-----------------------------------------------|--------------------------------------|--------------|-----------------------------------------------|--------------------------------------|--------|--------------------------------------|
|                           |                           | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | Mlb<br>U <sub>3</sub> O <sub>8</sub> | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | Mlb<br>U <sub>3</sub> O <sub>8</sub> | Mt     | Mlb<br>U <sub>3</sub> O <sub>8</sub> |
| CANADA                    |                           |              |                                               |                                      |              |                                               |                                      |        |                                      |
| Measured                  | Michelin <sup>3</sup>     | 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 <sup>3</sup> | 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 <sup>3</sup> | 3.6          | 550                                           | 4.4                                  | 3.6          | 550                                           | 4.4                                  | -      | -                                    |
|                           | Michelin <sup>3</sup>     | 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                                  | -      | -                                    |
| TOTAL Canada              |                           | 67.7         | 860                                           | 127.7                                | 67.7         | 860                                           | 127.7                                | -      | -                                    |

Figures may not add due to rounding.

<sup>1</sup>JORC Code (2012) compliant. Cut-off of grade of 200ppm U<sub>3</sub>O<sub>8</sub> applied to in-situ, with a cut-off grade of 250ppm U<sub>3</sub>O<sub>8</sub> applied to stockpiles.

<sup>2</sup>ASX Announcement "Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update" dated 4 November 2021

<sup>3</sup>JORC Code (2012) compliant

| Uranium Mineral Resources |                          | 30 June 2022 |                                               |                                      | 30 June 2023 |                                               |                                      | Change   |                                      |
|---------------------------|--------------------------|--------------|-----------------------------------------------|--------------------------------------|--------------|-----------------------------------------------|--------------------------------------|----------|--------------------------------------|
|                           |                          | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | MIb<br>U <sub>3</sub> O <sub>8</sub> | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | MIb<br>U <sub>3</sub> O <sub>8</sub> | Mt       | MIb<br>U <sub>3</sub> O <sub>8</sub> |
| <b>AUSTRALIA</b>          |                          |              |                                               |                                      |              |                                               |                                      |          |                                      |
| <b>Measured</b>           | Valhalla                 | 16.0         | 820                                           | 28.9                                 | 16.0         | 820                                           | 28.9                                 | -        | -                                    |
| <b>Indicated</b>          | 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 <sup>4</sup> | 5.4          | 420                                           | 5.0                                  | 5.4          | 420                                           | 5.0                                  | -        | -                                    |
|                           | Manyingee                | 8.4          | 850                                           | 15.7                                 | 8.4          | 850                                           | 15.7                                 | -        | -                                    |
| <b>Inferred</b>           | 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 <sup>4</sup> | 17.4         | 280                                           | 10.6                                 | 17.4         | 280                                           | 10.6                                 | -        | -                                    |
|                           | Manyingee <sup>4</sup>   | 5.4          | 850                                           | 10.2                                 | 5.4          | 850                                           | 10.2                                 | -        | -                                    |
| <b>TOTAL Australia</b>    |                          | <b>135.4</b> | <b>635</b>                                    | <b>189.8</b>                         | <b>135.4</b> | <b>635</b>                                    | <b>189.8</b>                         | <b>-</b> | <b>-</b>                             |

Figures may not add due to rounding.

<sup>4</sup>JORC Code (2012) compliant

| Vanadium Mineral Resources                    | 30 June 2022 |                                               |                                      | 30 June 2023 |                                               |                                      | Change   |                                      |
|-----------------------------------------------|--------------|-----------------------------------------------|--------------------------------------|--------------|-----------------------------------------------|--------------------------------------|----------|--------------------------------------|
|                                               | Mt           | Grade<br>ppm<br>V <sub>2</sub> O <sub>5</sub> | MLb<br>V <sub>2</sub> O <sub>5</sub> | Mt           | Grade<br>ppm<br>V <sub>3</sub> O <sub>5</sub> | MLb<br>V <sub>2</sub> O <sub>5</sub> | Mt       | MLb<br>V <sub>2</sub> O <sub>5</sub> |
| <b>NAMIBIA: Langer Heinrich<sup>5 6</sup></b> |              |                                               |                                      |              |                                               |                                      |          |                                      |
| <b>Measured</b>                               |              |                                               |                                      |              |                                               |                                      |          |                                      |
| In-situ                                       | 79.1         | 145                                           | 25.5                                 | 79.1         | 145                                           | 25.5                                 | -        | -                                    |
| MG ROM stockpiles                             | 6.3          | 165                                           | 2.3                                  | 6.3          | 165                                           | 2.3                                  | -        | -                                    |
| LG ROM stockpiles                             | 20.2         | 105                                           | 4.7                                  | 20.2         | 105                                           | 4.7                                  | -        | -                                    |
| Total Measured                                | 105.6        | 140                                           | 32.5                                 | 105.6        | 140                                           | 32.5                                 | -        | -                                    |
| <b>Indicated</b>                              |              |                                               |                                      |              |                                               |                                      |          |                                      |
| In-situ                                       | 23.5         | 120                                           | 6.3                                  | 23.5         | 120                                           | 6.3                                  | -        | -                                    |
| <b>Inferred</b>                               |              |                                               |                                      |              |                                               |                                      |          |                                      |
| In-situ                                       | 11.0         | 115                                           | 2.7                                  | 11.0         | 115                                           | 2.7                                  | -        | -                                    |
| <b>TOTAL Namibia</b>                          | <b>140.1</b> | <b>135</b>                                    | <b>41.5</b>                          | <b>140.1</b> | <b>135</b>                                    | <b>41.5</b>                          | <b>-</b> | <b>-</b>                             |

| Uranium Ore Reserves                          | 30 June 2022 |                                               |                                      | 30 June 2023 |                                               |                                      | Change   |                                      |
|-----------------------------------------------|--------------|-----------------------------------------------|--------------------------------------|--------------|-----------------------------------------------|--------------------------------------|----------|--------------------------------------|
|                                               | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | MLb<br>U <sub>3</sub> O <sub>8</sub> | Mt           | Grade<br>ppm<br>U <sub>3</sub> O <sub>8</sub> | MLb<br>U <sub>3</sub> O <sub>8</sub> | Mt       | MLb<br>U <sub>3</sub> O <sub>8</sub> |
| <b>NAMIBIA: Langer Heinrich<sup>5 6</sup></b> |              |                                               |                                      |              |                                               |                                      |          |                                      |
| <b>Proved</b>                                 | 48.3         | 488                                           | 52.0                                 | 48.3         | 488                                           | 52.0                                 | -        | -                                    |
| <b>Probable</b>                               | 10.0         | 464                                           | 10.2                                 | 10.0         | 464                                           | 10.2                                 | -        | -                                    |
| <b>Stockpiles</b>                             | 26.5         | 369                                           | 21.6                                 | 26.5         | 369                                           | 21.6                                 | -        | -                                    |
| <b>TOTAL Namibia</b>                          | <b>84.8</b>  | <b>448</b>                                    | <b>83.8</b>                          | <b>84.8</b>  | <b>448</b>                                    | <b>83.8</b>                          | <b>-</b> | <b>-</b>                             |

Figures may not add due to rounding. Ore Reserves reported at a 250ppm U<sub>3</sub>O<sub>8</sub> cut-off grade. Mineral Resources and Ore Reserves quoted on a 100% basis. Mineral Resources are reported inclusive of Ore Reserves.

All the Group'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 in this Annual Report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by David Princep BSc, P.Geo FAusIMM (CP), a Competent Person who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the reporting standard JORC 2012. Mr Princep is a full-time employee of Gill Lane Consulting Pty Ltd and consults to Paladin and is a current Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Princep consents to the inclusion of this information in the form and context in which it appears.

The information in this Annual Report that relates to the Ore Reserves estimation for the Langer Heinrich Uranium Project is based on, and fairly represents, information and supporting documentation compiled by Mr David Varcoe, Principal Mining Engineer, for AMC Consultants Pty Ltd. Mr Varcoe is an employee of AMC Consultants Pty Ltd and is a Competent Person who is a current Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM No: 105971). Mr Varcoe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the reporting standard JORC 2012. Mr Varcoe consents to the inclusion of this information in the form and context in which it appears.

<sup>5</sup>JORC Code (2012) compliant

<sup>6</sup>ASX Announcement "Langer Heinrich Mine Restart Plan Update, Mineral Resource and Ore Reserve Update" dated 4 November 2021

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# Environmental, Social and Governance

Paladin is wholly committed to a best practice, globally accredited Environmental, Social and Governance (ESG) framework that sets standards of organisational behaviour and holds us firmly accountable. At Paladin, ESG is core to our business, and we want to be held accountable for what we do – not just for what we say. When our performance is measured, we expect that outcomes clearly reflect our behaviours.

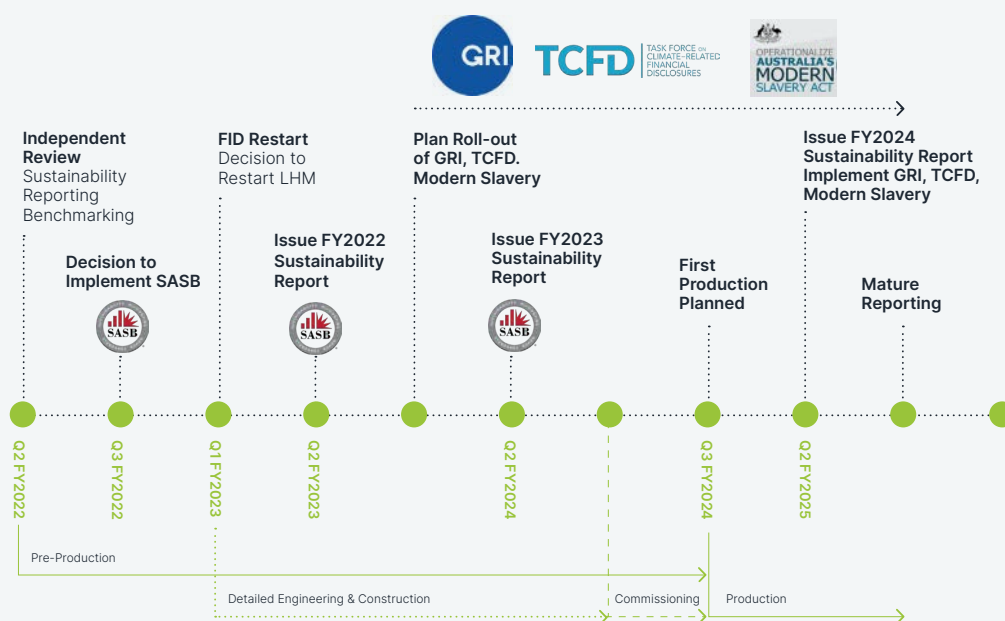
Paladin adopted the Sustainability Accounting Standards Board (SASB) framework for inclusion in the FY2022 Sustainability Report. Following the decision in July 2022 to return the Langer Heinrich Mine (LHM)

to production, the Board approved the future addition of the Global Reporting Initiative (GRI) standards and Task Force on Climate-related Disclosures (TCFD) framework for implementation as production commences at the LHM.

Paladin will comply with all reporting and requirements under the Modern Slavery Act (Cth) 2018, including the maintenance of responsible and transparent supply chains, when production recommences in CY2024.

A roadmap for Paladin's Sustainability Reporting is provided below:

## Paladin Energy Sustainability Reporting Road Map



As Paladin moves towards production, the structured implementation of these three reporting frameworks (SASB, GRI and TCFD) will increase the level of detail reported over time, and will provide a more complete representation of Paladin's performance to all key stakeholders. The focus and audience of the frameworks are provided below:

**Combining the complimentary SASB / GRI / TCFD frameworks provides a comprehensive integrated sustainability reporting framework**



As part of the implementation of the SASB framework, the Paladin Executive and management team carried out a materiality assessment informed by inputs taken from Paladin's existing sustainability, ESG and Risk Management reporting frameworks, SASB sustainability standards for Metals & Mining and benchmarking against peer companies. The result was a list of material ESG topics and priorities relevant to Paladin during the pre-production phase at the LHM and the exploration phase for the Canadian and Australian asset portfolio, with additional topics and priorities that will become material when the LHM returns to production.

| Material Topics & Priorities | Environmental                                                                                                            | Social                                                                                                                                        | Governance                                                                                                        |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>Pre-production</b>        | Biodiversity<br>Tailings Management<br>Rehabilitation                                                                    | Occupational Health and Safety<br>Radiation<br>Diversity<br>Community and Stakeholder Relations                                               | Corporate Governance<br>Business Ethics and Transparency<br>Risk Management<br>Cyber Security<br>Tax Transparency |
| <b>Production</b>            | Air Quality<br>Water Management<br>Waste Management<br>Energy Management<br>Greenhouse Gas Emissions<br>Land Disturbance | Nuclear Safeguards<br>Product Safety and Transportation<br>Labour Practices<br>Employee Opportunities<br>Relationships with Indigenous People | GRI<br>TCFD<br>Modern Slavery Reporting                                                                           |

## ESG Highlights and FY2023 Performance



Over 850,000 Lost-Time Injury Free project manhours achieved



No environmental non-compliances or breaches



100% compliance with laws, regulations, licence and permit conditions



Strong local community commitment through jobs, education and procurement



Development of a detailed implementation plan for roll out of ESG frameworks

## Our ESG Reporting Framework



SASB reporting to be included in FY2023 Sustainability Report



Extend SASB reporting to include GRI framework when the LHM returns to production in 2024



Commitment to TCFD principles to include and manage systemic financial risks associated with climate change



Further developing our Modern Slavery assessment, reporting and governance to address modern slavery risks across our global supply chain

## ENVIRONMENT

**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 2021 United Nations Climate Change Conference (COP26) and the Glasgow Climate Pact.**

Paladin recognises that excellence in environmental performance is essential to business success and to achieving our sustainable development objectives. Paladin is committed to ensuring our projects are delivered with a keen focus on sustainability and reducing our own Scope 1 and Scope 2 carbon emissions and environmental impact. Paladin aims to minimise its impact on the environment through:

- Effective environmental management across all aspects of its portfolio
- Preventing, minimising, mitigating and remediating any adverse impacts of its operations on the environment
- Achieving continuous improvement in environmental performance.

Paladin's environmental approach is managed through its Environmental Policy with a suite of underlying policies, and management, monitoring and mitigation plans. Our robust policies and guidelines focus primarily on water and land use management, rehabilitation, mineral waste and reducing greenhouse gas emissions. The LHM Environmental Policy and underlying policies are being reviewed and updated as the LHM returns to production.

The LHM produces a Bi-Annual Environmental Management Progress Report to comply with reporting requirements under the LHM Environmental Clearance Certificate (ECC) issued in August 2020 in compliance with the mining licence obligations, as well as the LHM Environmental Management Plan. The bi-annual report is a comprehensive report on environmental monitoring of air, water quality, energy, land-use, radiation, and biodiversity within the LHM mining licence areas as well as surrounding community support, as the LHM carries out activities within our framework of legal and regulatory requirements. This report is submitted to the Ministry of Environment, Tourism and Forestry, the Ministry of Mines and Energy and the Ministry of Agriculture, Water and Land Reform.

Paladin has met all applicable regulatory and other compliance obligations and holds all applicable permits and licences across the Company's global operations.

As Paladin moves towards the restart of production, the LHM is establishing a baseline of the historical carbon footprint and environmental impact by reviewing the water and fuel consumption and carbon emissions. This is being undertaken to allow the continuation of efforts to minimise the LHM footprint, and improve our operation's future performance. The Restart Project incorporates measures to reduce our environmental footprint and impacts, including upgraded tailings dewatering, increasing process water return and reducing water loss to tailings. Paladin is reviewing the LHM's historical consumption and emissions data and will set meaningful targets once the footprint has been confirmed in operations.

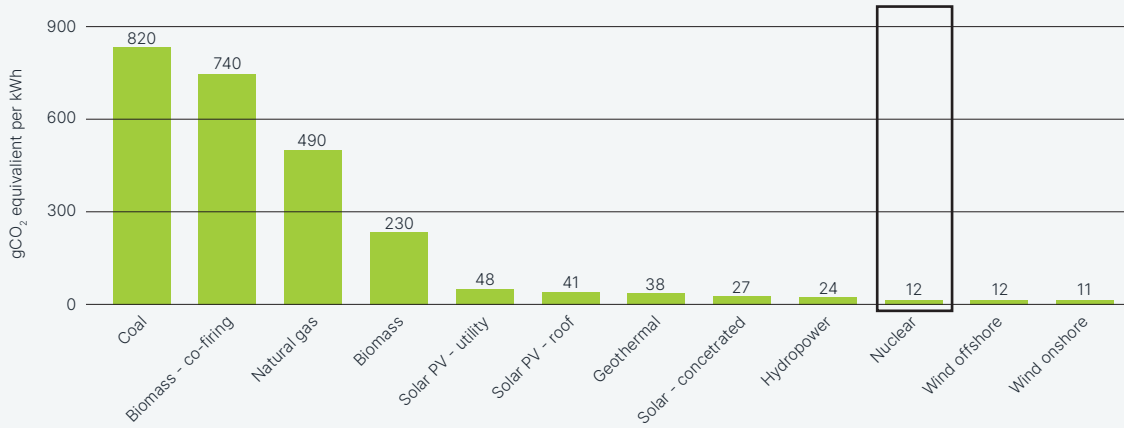
Uranium mining and processing are critical components of the nuclear fuel cycle as they provide the raw material for producing clean, sustainable base-load electricity. With growing global demand for electricity, and targets set for reduced CO<sub>2</sub> emissions, nuclear energy will continue to play a key role in the decarbonisation of global power generation.

Nuclear energy provided approximately half of the USA's carbon-free electricity in 2022, making it their largest domestic source of low carbon energy. Nuclear power plants do not emit greenhouse gases while

generating electricity, and every reduction in CO<sub>2</sub> emissions reduces the impacts of climate change and global warming. Importantly, uranium is a highly efficient fuel source.

Lifecycle greenhouse gas emissions (GHG) for different energy sources and technologies shows nuclear power to have one of the lowest GHG emissions intensity, comparable with solar and wind and up to 100 times lower than coal which averages ~1,000 grams CO<sub>2</sub> equivalent / kWh

Average life-cycle carbon dioxide-equivalent emissions



Source: IPCC - Average life-cycle carbon dioxide-equivalent emissions for different electricity generators

The uranium mined and processed at the LHM will be used to resource nuclear power plants, helping drive the global energy transition to a carbon-free, sustainable future. During peak production, the LHM will produce enough uranium fuel annually to fully supply over ten 1,000 MWe nuclear power plants. Over the life of the LHM, achieving this level of power generation through coal-fired electricity would generate an average of 58 million tonnes of carbon dioxide emissions per annum. This equates to a total of around 1.3 billion tonnes carbon dioxide emissions that would be generated by the equivalent coal-fired electricity, over the projected 17-year life of the LHM.

Paladin recognises the increasing global impacts of climate change, however the financial impact, and any other impacts, of climate change on our operations is currently expected to be minimal. Paladin is focused on our role in providing a low carbon fuel source to reduce CO<sub>2</sub> emissions as part of the world's energy transformation in order to achieve climate change goals.

## SOCIAL

**We value and respect all people – our workforce and stakeholders – putting their health, safety and wellbeing at the forefront of a positive culture. We embrace diversity, promote equal opportunities to thrive, and we engage actively with local communities, listening and contributing to their social prosperity and development with integrity.**

The Company is fully committed to providing and maintaining a safe, secure and healthy work environment with the aim of zero harm from occupational injuries and illness in the workplace. Paladin fosters the safe behaviour of employees and contractors by establishing a mindset that all injuries are preventable. Throughout the year we continued to promote safety and responsibility to all our employees and contractors.

Excellence in radiation management performance is an essential part of Paladin's occupational health and safety commitment and Paladin drives a wide range of preventative monitoring measures to achieve occupational health, hygiene and safety. Radiation exposure controls are key aspects of occupational monitoring at the LHM.

Strict procedures are followed as part of our radiation protection measures, and calibrated equipment is used to monitor employees, contractors, visitors and specific work area exposure levels. The results are provided on an annual basis to the Namibian National Radiation Protection Authority for assessment, for which the LHM has received annual approval.

During FY2023, we once again recorded no lost-time injuries or reportable incidents and achieved more than 850,000 Lost Time Injury Free project hours. We continued to deliver operationally targeted safety interventions and training programs, which included risk mitigation assessment and measures, employee engagement sessions and sharing of industry best practice. Continuous improvement of our advanced safety processes was also a focus of our activity during the year.

Paladin is committed to workplace diversity and recognises the benefits of employee and board diversity arising from the recruitment, development and retention of a talented, diverse and motivated workforce. At Paladin we recognise that our people are crucial to our business. We strongly support them and encourage them to grow. We are committed to fostering a positive culture, promoting employee engagement and encouraging a diverse and inclusive workplace.

Paladin's employees are provided with growth opportunities, and the continued development of skills and expertise through structure and informal learning and training. The LHM also supports employee

study as an opportunity for career development. We provide local and regional employment opportunities wherever possible. We embrace our diverse mix of people, including different ages, cultural backgrounds, genders, education and experience levels, and actively foster the benefits from collaboration.

Our commitment to the community and social investment is embedded in our Company Values. At Paladin we are committed to our local communities and are focused on having a positive impact and making meaningful contributions to their lives and livelihoods. We achieve this through a range of initiatives, including local recruitment practices, establishing community development programs, and procuring from local industries to support growth and economic value to local regions. Stakeholder engagements with local and government authorities are key priorities, in addition to supporting local community causes.

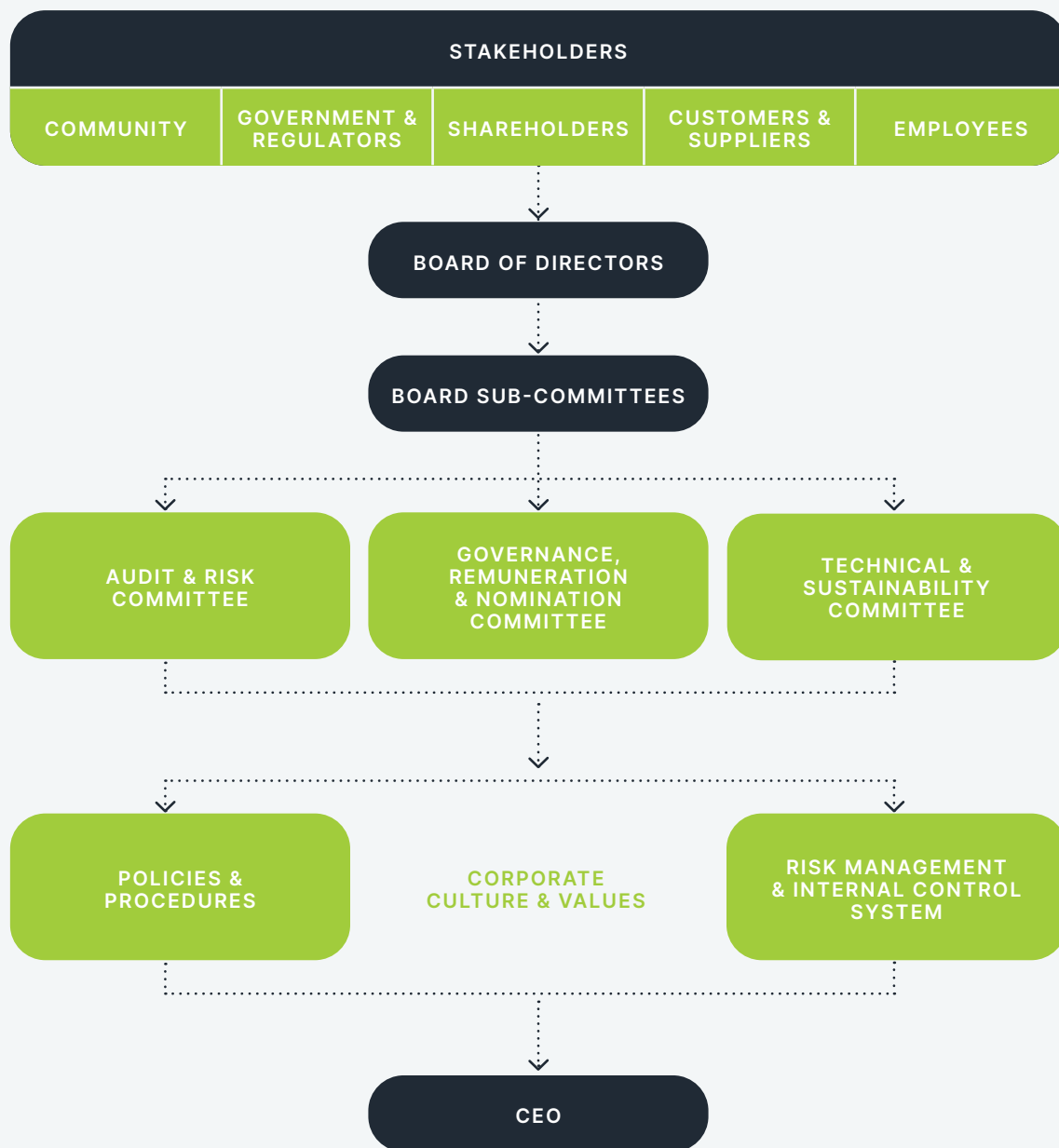
As the Langer Heinrich Restart Project continues to progress, and we move towards production in the first quarter of CY2024, Paladin continues to engage with the local community in Namibia to ensure we make a positive contribution to the community and we are recognised as a good corporate citizen committed to providing opportunities for the local community.

## GOVERNANCE

**We conduct our business and all operations adhering to the highest ethical standards and with absolute integrity. We are openly committed to full compliance with all applicable laws and regulations, and we take accountability seriously in being proactively transparent.**

The Paladin Board of Directors has a clear understanding that it is responsible for Paladin's corporate governance. The Board recognises the importance of our corporate governance framework in establishing accountabilities, guiding and regulating activities, monitoring and managing risks and optimising Paladin's performance. Governance is a core function at the heart of the Company's sustainability efforts.

The Board also recognises the need to regularly review its system of corporate governance as best practice evolves. Our current Paladin corporate governance framework (Governance Framework) uses as a reference the Corporate Governance, Principles and Recommendations of the ASX Corporate Governance Council. The Governance Framework depicted in the diagram below includes policies and practices to ensure that we are not only compliant with good governance principles, but that we also meet stakeholder expectations.



Our corporate governance practices for the year ended 30 June 2023 are outlined in our 2023 Corporate Governance Statement.

At Paladin, one of our four core values is integrity. Our Code of Conduct guides how we uphold our value of integrity. The Code requires Paladin's officers, employees and Board to observe the highest standards of business and personal ethics while carrying out their duties and responsibilities. Paladin is committed to complying with all applicable laws and regulations in the countries where we operate, and we

conduct our business in line with the highest ethical standards and absolute integrity. Our framework of compliance with legislative requirements, government policies and our internal policies ensures that our standards are encompassed in all our business dealings and practices globally. Paladin exercises zero tolerance for corruption and bribery in any manner or situation in which it may arise. An Anti-Bribery and Corruption Policy provides practical advice on ethical business conduct, and in addition, the Company's Whistleblower Policy and procedure facilitates disclosure of any alleged corruption.

Paladin recognises that the identification and effective management of risk, including prudent, informed risk taking, is an essential part of Paladin's aim of creating long-term shareholder value. Paladin's Risk Management Policy aims to integrate risk management into Paladin's strategy and business and undertake activities in line with Paladin's Risk Appetite as defined by the Board. The Risk Management Policy is the overarching document that provides the foundation which supports the framework and processes for the integration of risk management into the Company's business activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Audit & Risk Committee (ARC) is mandated to provide oversight of the Risk Management Framework. The ARC's role is to provide assurance to the Board that risk is being managed effectively across the Company. Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the Risk Management Policy. Every employee of Paladin is responsible for managing risks on a day to day basis by adhering to Paladin's risk management policies and internal control systems.

Paladin has a cyber security framework which was benchmarked and subject to an independent Cyber Security Architecture Assessment during FY2022. A program of works is being undertaken to build further resilience and enhance the cyber security framework as the LHM moves towards the restart of production.

Cyber security risks are incorporated into Paladin's risk management framework and managed accordingly. Paladin has an established IT Policy which is being updated as Paladin moves towards the restart of production.

Paladin is committed to ensuring compliance with all tax laws that apply to our operations, and to managing all tax related matters in a transparent manner. As Paladin moves towards the restart of production, ensuring compliance with the tax laws and relevant legislation in the various jurisdictions remains a key commitment.

Paladin's Board recognises the risks posed by climate change, economic, environmental and social factors and is committed to being an active partner in addressing these risks. Paladin is committed to the core principle of delivering value through sustainable development and aims to promote sustainable business practices by integrating climate-related, economic, environmental and social risks and opportunities into our governance, strategy and risk management process.

Paladin is further developing our reporting and disclosures structure in alignment with the GRI and TCFD recommendations as the LHM moves to the restart of production. It is intended that future reporting in line with GRI and TCFD recommendations will help investors and other stakeholders understand how we integrate the external impact of the Company's activities, and the climate-related, economic, environmental and social risks and opportunities into our governance, strategy, and risk management process.

For the Restart Project Paladin has fully implemented and is compliant with the Ethical Procurement Policy of ADP, the LHM's EPCM contractor. The Ethical Procurement Policy is applied to all potential supplier and contractor recommendations by the project team, for Paladin's approval.

We will maintain responsible and transparent supply chains and require contracts we enter into for production pass through modern slavery qualifications, setting the standards for those who provide goods and/or services to the LHM.

Paladin condemns all forms of modern slavery. Paladin's commitment to actively engaging in ways to ensure that there is no forced labour or child labour within its supply chain operations is embedded in the Code of Conduct. Paladin is reviewing its policies in relation to human rights and modern slavery as part of the LHM restart, and we will comply with all reporting and other requirements under the Modern Slavery Act (Cth) 2018.



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# Corporate Governance Statement

## 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](http://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 2023 and approved by the Board on 24 August 2023, outlines the key governance principles and practices of the Company which, taken as a whole, sets out the Company's governance framework. The Board believes that the governance policies and practices adopted by the Company during the reporting period ended 30 June 2023 follow the recommendations contained in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations published in February 2019 (ASX Principles and Recommendations). Paladin's Corporate Governance Statement can be found in the Corporate Governance section of its website at [www.paladinenergy.com.au](http://www.paladinenergy.com.au), together 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.

## Our Values

At Paladin, we are guided by four key values that are at the core of everything we do:



### Integrity

We act with integrity and honesty in all we do and say



### Respect

We respect and value all people equally



### Courage

We meet all challenges and seize opportunities with courage



### Community

We invest in our communities to create lasting value

Our values are supported by the Board, management and employees at all levels throughout Paladin, and are central to relationships between all employees and stakeholders. These values and their aligning value statements, define who we are as a Company and provide the foundation of our culture.

# Directors' Report

The Directors of Paladin Energy Ltd present their report together with the financial report of the Group consisting of Paladin Energy Ltd (Company) and the entities (Group) it controlled at the end of, or during, the year ended 30 June 2023 and the auditor's report. There were two additional appointments to the Board of Directors during the financial year.

## DIRECTORS

The following persons were independent non-executive directors of Paladin Energy Ltd and were in office for the financial year:

**Mr Cliff Lawrenson** BCom (Hons)  
(Non-Executive Chair)

Mr Cliff 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.

Current Directorships: Non-Executive Chair of Australian Vanadium Limited (ASX:AVL) and Caspin Resources Limited<sup>1</sup> (ASX:CPN) and Non-Executive Chair of privately owned Pacific Energy Limited.

Former listed company Directorships (last three years): Atlas Iron Limited and Canyon Resources Limited.

**Mr Peter Watson** BEng (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 Managing Director and CEO of Sedgman Limited. Mr Watson has also held a number of senior and directorship roles at Strandline Resources Ltd, 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:

- Chairman of Project Steering Committee
- Chair of Technical & Sustainability Committee
- Member of Audit & Risk Committee

Current listed company Directorships: Non-Executive Director of Strandline Resources Ltd (ASX:STA) and Australian Vanadium Limited (ASX:AVL)

Former listed company Directorships (last three years): Evacuation Services Australia Pty Ltd and New Century Resources Limited.

<sup>1</sup>As announced on the ASX Mr Lawrenson ceased to be a director of Caspin Resources Limited effective 14 August 2023

**Mr Peter Main** BBus  
(Non-Executive Director)

Mr Peter Main is a mining and finance professional with extensive experience spanning more than 35 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 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. He spent more than 20 years in mining finance, more recently advising and managing the development of gold enterprises in the Northern Territory and Queensland.

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, and six years at Hartley Poynton as a mining analyst. Before that he spent nine years in full time service in the Australian Army.

**Special Responsibilities:**

- Member of Technical & Sustainability Committee
- Member of Governance, Remuneration & Nomination Committee

Current listed company Directorships: None

Former listed company Directorships (last three years):  
Carbine Resources Limited

**Ms Melissa Holzberger** LL.M Resources Law  
(Distinction) (Scotland), Dip. International Nuclear Law (Hons) (France), LL.B (Adel), BA (Adel), GDLP, FGIA, GAICD  
(Non-Executive Director)

Ms Melissa Holzberger is a mining lawyer with over 20 years' of experience in the international energy and resources sectors, including the uranium industry. She is an experienced independent company director having served on ASX-listed, public, government and not-for-profit boards spanning a wide range of highly regulated sectors. She brings specialist uranium and nuclear law, risk, compliance, corporate ethics and corporate governance expertise, together with valuable experience in uranium mining operations and projects, international uranium trade, logistics, product stewardship and sustainability.

Ms Holzberger is a member of the Federal Government's Australian Radiation Protection and Nuclear Safety Agency's Radiation Health and Safety Advisory Council.

**Special Responsibilities:**

- Member of Audit & Risk Committee
- Member of Governance, Remuneration & Nomination Committee

Current listed company Directorships: Non-Executive Director of Andromeda Metals Ltd (ASX: ADN).

Former listed company Directorships (last three years):  
Silex Systems Limited.

**Ms Joanne Palmer** FCA (ICAEW), FCA (CAANZ),  
GAICD, BSc (Hons Mathematics & Statistics)  
(Non-Executive Director)

Ms Joanne Palmer, is a former Registered Company Auditor, and an existing Fellow of Chartered Accountants in Australia and in England and Wales. Ms Palmer brings over 26 years of industry experience in providing audit and assurance services on company listings, mergers, acquisitions and takeovers and significant experience in auditing international mining companies, particularly in Africa. Ms Palmer is a council member and treasurer 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.

**Special Responsibilities:**

- Chair of Audit & Risk Committee
- Member of Governance, Remuneration & Nomination Committee

Current listed Directorships: Non-Executive Director of Sierra Rutile Holdings Limited (ASX:SRX).

Former listed company Directorships (last three years):  
None

**Dr Jon Hronsky OAM** BAppSci, PhD (Appointed 20 March 2023)  
(Non-Executive Director)

Dr Jon Hronsky has more than thirty-five years of experience in the global mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. He has worked across a diverse range of commodities and geographies. His targeting work led to the discovery of the West Musgrave nickel sulfide province in Western Australia. His experience includes leadership roles in both major mining and junior mining companies, and he has consulted globally for the last 16 years. In January 2019 he was awarded the Order of Australia Medal for services to the mining industry.

Dr Hronsky is one of the Principals at Western Mining Services, a global geological consultancy, a partner in Ibaera Capital, (a mining focused boutique PE fund) and also an Adjunct Professor at the Centre for Exploration Targeting at UWA. Jon was previously Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration and was Global Geoscience Leader for WMC Resources Ltd.

Special Responsibilities:

- Member of Audit & Risk Committee
- Member of Technical & Sustainability Committee

Current Directorships: Non-Executive Director of Encounter Resources (ASX:ENR) and Caspin Resources Limited (ASX:CPN) and a Non-Executive Director of Plutonic Limited.

Former listed company Directorships (last three years): Cassini Resources and Azumah Resources.

**Mrs Lesley Adams** GAICD, CIPD (Appointed 22 May 2023)  
(Non-Executive Director)

Mrs Lesley Adams has more than thirty years of experience within the global resources industry across multiple roles including Human Resources, Health & Safety, Joint Venture Management and Indigenous and Corporate Affairs. Mrs Adams' experience includes leadership roles in global technology, engineering services and major resource companies. Previously, Mrs Adams was Executive General Manager of Roy Hill where she was responsible for implementing and supporting structural change as the organisation transitioned to a sustainable operating environment.

Mrs Adams' other senior roles include Group Executive HR/Continuous Improvement at Beach Energy, Group Executive Corporate Services at Quadrant Energy and General Manager of Human Resources for Santos Limited. Mrs Adams is a Graduate of the Australian Institute of Company Directors.

Special Responsibilities:

- Chair of Governance, Remuneration & Nomination Committee
- Member of Technical & Sustainability Committee

Current listed company Directorships: None

**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.

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.

## COMPANY SECRETARY

**Mr Jeremy Ryan** LPAB GDLP  
(appointed 27 August 2021)

Mr Ryan has extensive experience in corporate governance and was previously Company Secretary / Manager Legal for ASX listed gold miner Saracen Mineral Holdings Limited.

Mr Ryan was admitted to the Supreme Court of New South Wales in 1999 and to the Supreme Court of Western Australia in 2001. Prior to his in-house role with Saracen, he advised government departments and worked in the finance and projects team of a large international law firm. During his time in private practice Mr Ryan advised companies in the resources sector including on project development and operation. In addition to being appointed Company Secretary, Mr Ryan has also been engaged as Senior Legal Counsel for Paladin.

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## 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 Committee |                           | Governance, Remuneration & Nomination 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    | 7                  | 7                         | -                        | -                         | -                                    | -                         | -                                               | -                         |
| Mr Peter Watson       | 7                  | 7                         | 3                        | 3                         | 3                                    | 3                         | -                                               | -                         |
| Mr Peter Main         | 7                  | 7                         | -                        | -                         | 3                                    | 3                         | 2                                               | 2                         |
| Ms Melissa Holzberger | 7                  | 7                         | 3                        | 3                         | 2                                    | 2                         | 2                                               | 2                         |
| Ms Joanne Palmer      | 7                  | 7                         | 3                        | 3                         | -                                    | -                         | 2                                               | 2                         |
| Dr Jon Hronsky        | 2                  | 2                         | -                        | -                         | 1                                    | 1                         | -                                               | -                         |
| Ms Lesley Adams       | 1                  | 1                         | -                        | -                         | 1                                    | 1                         | 1                                               | 1                         |

\*The Company reviewed its Committee composition following the appointment of Dr Jon Hronsky and Lesley Adams as non-exclusive directors to ensure alignment with skill set and the Company's strategic objectives. These changes became effective on 26 May 2023. The above table reflects the changes to the composition of the committees and attendance at the same.

## 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 10 to 25 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\$27,058,000 (2022: loss after tax US\$43,939,000) representing a decrease of 38% 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:

- On 19 July 2022 the Paladin Board announced it had made the decision to return the Langer Heinrich Mine (LHM) to production with first volumes targeted for the first quarter of CY2024. The restart scope of work focuses on general repairs and refurbishment required to return the existing process plant to operational readiness, coupled with the delivery of process upgrades to increase throughout capacity and operational availability. Total capital expenditure is expected to be US\$118M on a 100% project basis
- Paladin's 2022 Sustainability Report was published on 20 October 2022, confirming the Company's commitment to delivering value through sustainable development.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than disclosed below, 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 with the exception of the following, the financial effects of which have not been provided for in the 30 June 2023 Financial Report:

- On 7 July 2023 Paladin announced that it will retain its 75% interest in the Michelin Joint Venture, having completed the process required under the Michelin Joint Venture Agreement to use best efforts to sell the entirety of the joint venture on commercially acceptable terms. The Michelin Joint Venture owns the Michelin advanced exploration project in Labrador, Canada.

## LIKELY DEVELOPMENTS

Likely developments in the operations of the Group are set out under the section entitled Operating and Financial Review on pages 10 to 25.

## ENVIRONMENTAL REGULATIONS

The Group is exposed to environmental risks as outlined under the section entitled Operating and Financial Review on pages 10 to 25. 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 (transitioning from care and maintenance), as well as exploration projects in Australia and Canada. The Group monitors compliance with all applicable environmental laws and regulations in the countries in which it conducts business.

Specific environmental regulations, approvals and licences 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.

## DIRECTORS' INDEMNITIES

During the year Paladin has incurred premiums to insure the Directors and/or Officers for liabilities 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.

## INDEMNIFICATION 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

Issued unlisted employee Performance Rights (PRs) outstanding to employees of the Company are as follows:

| Date granted                   | Exercisable date  | Fair value | Exercise price | Number            |
|--------------------------------|-------------------|------------|----------------|-------------------|
| 7 September 2021 <sup>1</sup>  | 27 September 2023 | A\$0.82    | A\$0.00        | 2,045,000         |
| 3 November 2021 <sup>2</sup>   | 1 July 2024       | A\$0.705   | A\$0.00        | 2,431,153         |
| 3 November 2021 <sup>2</sup>   | 1 July 2024       | A\$0.766   | A\$0.00        | 2,431,152         |
| 1 July 2022 <sup>1</sup>       | 1 July 2024       | A\$0.58    | A\$0.00        | 225,000           |
| 28 September 2022 <sup>1</sup> | 1 July 2024       | A\$0.735   | A\$0.00        | 900,000           |
| 28 September 2022 <sup>2</sup> | 31 December 2023  | A\$0.735   | A\$0.00        | 905,120           |
| 28 September 2022 <sup>2</sup> | 30 June 2025      | A\$0.631   | A\$0.00        | 1,829,548         |
| 28 September 2022 <sup>2</sup> | 30 June 2025      | A\$0.629   | A\$0.00        | 1,829,549         |
| 8 November 2022 <sup>1</sup>   | 1 July 2024       | A\$0.825   | A\$0.00        | 82,500            |
| 28 March 2023 <sup>2</sup>     | 31 December 2023  | A\$0.605   | A\$0.00        | 203,401           |
| 28 March 2023 <sup>2</sup>     | 30 June 2025      | A\$0.484   | A\$0.00        | 271,201           |
| 28 March 2023 <sup>2</sup>     | 30 June 2025      | A\$0.412   | A\$0.00        | 271,201           |
| 28 March 2023 <sup>1</sup>     | 1 February 2025   | A\$0.605   | A\$0.00        | 500,000           |
| <b>Total</b>                   |                   |            |                | <b>13,924,825</b> |

<sup>1</sup>These PRs have been issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a PR.

<sup>2</sup>A proportion of these PRs (3,231,410 PRs) are subject to retention based vesting as at 31 December 2023. The remaining PRs will vest subject to the Total Shareholder return (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.

During the year 1,295,000 Performance Rights were converted to 1,295,000 shares.

## 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 2018  | 1 November 2023 | A\$0.13    | A\$0.20        | 37,500           |
| 27 September 2016 | 1 November 2018  | 1 November 2023 | A\$0.08    | A\$0.20        | 28,000           |
| 27 September 2016 | 1 November 2019  | 1 November 2024 | A\$0.08    | A\$0.20        | 28,000           |
| 16 April 2018     | 16 April 2019    | 16 April 2024   | A\$0.05    | A\$0.15        | 32,500           |
| 16 April 2018     | 16 April 2020    | 16 April 2025   | A\$0.07    | A\$0.15        | 32,500           |
| 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        | 80,000           |
| 1 October 2019    | 1 October 2021   | 1 October 2026  | A\$0.04    | A\$0.12        | 70,000           |
| 1 October 2019    | 1 October 2022   | 1 October 2027  | A\$0.05    | A\$0.12        | 70,000           |
| <b>Total</b>      |                  |                 |            |                | <b>2,878,500</b> |

During the year 1,171,750 Share Appreciation Rights were converted to 1,072,445 shares.

## 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 26.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 68 of the Financial Report.

Dated this 25<sup>th</sup> day of August 2023.

Signed in accordance with a resolution of the Directors



**Cliff Lawrenson**

Chair

Perth, Western Australia

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# Remuneration Report

## Message from the Chair of the Governance, Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Paladin Remuneration Report for the 2023 financial year on behalf of the Governance, Remuneration and Nomination Committee.

### Company Performance Overview

Building on the decision in July 2022 to resume operations at the Langer Heinrich Mine, Paladin has experienced an exceptional year during which we have successfully secured key offtake contracts and are efficiently executing the Langer Heinrich restart project on schedule and budget. As a result, production is on track to commence in Q1 CY2024.

These achievements are a testament to the dedication and expertise of our workforce, led by the Chief Executive Officer, Ian Purdy, and the Executive team. The unwavering commitment of our staff has played a pivotal role in positioning Paladin as a leading global uranium production company.

## Independent Remuneration Review

The Board is committed to ensuring our remuneration framework is focused on driving a performance culture that closely aligns with the achievement of our strategic and business objectives, and shareholder experience over short- and long-term time frames.

The Company engaged Korn Ferry in May 2023 to complete an independent remuneration benchmarking and design review of the remuneration framework for non-executive directors and Executive KMP.

The comprehensive review encompassed:

- Market benchmarking of non-executive director fees; and
- Market benchmarking of total annual remuneration for Executive KMP, including incentive schemes.

#### Remuneration Framework FY2024

Retention of highly skilled executives and staff is of paramount importance for the Board. As Paladin transitions to a production company in CY2024, we recognise the need to review and enhance our remuneration approach. With the aim of aligning with market practice and acknowledging the increasing scale and complexity of the Company, we considered the advice provided by Korn Ferry, and the Board approved the following changes effective from 1 July 2023:

1. **Target Market Position:** Adoption of a target remuneration market position between P50 and P75 of a peer group of comparable ASX-listed and general mining organisations
2. **Fixed Remuneration:** An increase in fixed remuneration (exclusive of superannuation) for Executive KMP
3. **Short-Term Incentive Plan (STIP):** Implementation of a STIP for Executive KMP to incentivise performance aligned with the delivery of Paladin's strategic objectives
4. **Long-Term Incentive Plan (LTIP):** The LTIP opportunity will be reduced, reflecting the introduction of the STIP, and a partial performance gateway introduced
5. **Non-executive director fees:** Introduction of fees for chairing sub-committees and sub-committee membership, set between P50 and P75 of the peer market and an increase to the Chair's fees which are all encompassing and reflective of the peer group benchmarking.

Moving forward, the Board remains committed to monitoring the effectiveness and appropriateness of our remuneration framework. Our remuneration policy will continue to focus on linking pay to performance while ensuring alignment with the interests and experience of our shareholders. Further details of the changes effective for FY2024 are outlined on page 60.

The Board is confident the changes to the remuneration framework effectively establish a strong alignment between performance, reward, and long-term value creation for shareholders, and ensure Paladin is positioned competitively to achieve our strategic objectives as we enter the next phase of growth.

On behalf of the Board, I invite you to review the FY2023 Remuneration Report, which explains the connections between our strategy, performance, and Executive KMP remuneration as we move towards the commencement of operations at the Langer Heinrich Mine.

We value our shareholders' support and welcome your feedback as we strive to enhance the transparency and clarity of our report for the benefit of our shareholders. Thank you for your continued support of Paladin. We look forward to our ongoing engagement with you and sharing in the Company's future success.



**Lesley Adams**

Chair, Governance, Remuneration and Nomination Committee

## REMUNERATION REPORT (AUDITED)

The Directors present the FY2023 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- Remuneration Governance
- Introduction and FY2023 Key Management Personnel (KMP)
- Remuneration Framework
- Remuneration Framework FY2024
- Linking long term performance and shareholder value
- Reconciliation of performance based remuneration
- Remuneration expenses for Executive Key Management Personnel (KMP)
- Non-Executive Director remuneration
- Additional statutory information.

## REMUNERATION GOVERNANCE

Paladin is committed to fostering a culture of innovation, growth, and sustainable development. Central to this is attracting, motivating, and retaining highly skilled Executives and staff.

To effectively address remuneration matters, the Governance, Remuneration and Nomination Committee (the Committee) operates as a sub-committee of the Board. Its primary role is to assist the Board in fulfilling its responsibility to shareholders and other stakeholders, in accordance with the Governance, Remuneration and Nomination Committee Charter.

The Committee advises the Board on Non Executive Director and KMP remuneration, and, when required, seeks independent advice to make informed decisions. In addition, the Committee makes recommendations on incentive plans and associated performance measures together with the quantum of grants awarded, considering both the individual's and Paladin's performance.

Further information on the Committee's role and responsibilities can be found in the Committee's charter.

### Remuneration Principles

The Company's remuneration strategy and framework are reviewed regularly by the Board and Committee to ensure their relevance and alignment with market practice. By regularly evaluating the link between remuneration and performance, the Company maintains transparency, accountability, and a strong focus on long-term value creation for shareholders.

### Engagement of Remuneration Consultants

From time to time, the Committee will seek advice from independent remuneration consultants on Executive KMP trends, remuneration benchmarking, and prevailing market practices. During the financial year, advice was sought from Korn Ferry to benchmark Executive KMP remuneration, including fixed remuneration and incentive structures and non-executive director fees, against relevant ASX-listed organisations.

### 2022 AGM Voting Outcome and Comments

At the FY2022 AGM, the Company received an overwhelming vote of more than 99% in favour of the adoption of its Remuneration Report for the 2022 Financial Year. The Company did not receive any specific feedback on its remuneration practices at the AGM.

## REMUNERATION REPORT (AUDITED)

### INTRODUCTION AND FY2023 KEY MANAGEMENT PERSONNEL (KMP)

The KMP include the directors of Paladin Energy Limited and the Executive KMP (Chief Executive Officer (CEO), the Chief Operating Officer (COO), the Chief Financial Officer (CFO), Chief Commercial Officer (CCO) and General Manager Exploration) and those Executives who have 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. For the purpose of this report, the KMP for the 2023 financial year are as follows:

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#### Non-Executive Directors

- Mr Cliff Lawrenson, Non-Executive Chair
- Mr Peter Watson, Non-Executive Director
- Mr Peter Main, Non-Executive Director
- Ms Melissa Holzberger, Non-Executive Director
- Ms Joanne Palmer, Non-Executive Director
- Dr Jon Hronsky OAM, Non-Executive Director<sup>1</sup>
- Mrs Lesley Adams, Non-Executive Director<sup>2</sup>

<sup>1</sup>Appointed 20 March 2023

<sup>2</sup>Appointed 22 May 2023

These directors were members of the Board of Paladin Energy Limited throughout the whole of the 2023 financial year except as noted.

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#### Current Executive KMP

- Mr Ian Purdy, Chief Executive Officer
- Mr Paul Hemburrow, Chief Operating Officer<sup>1</sup>
- Ms Anna Sudlow, Chief Financial Officer
- Mr Jonathon Clements, Senior Vice President – Projects & Development<sup>2</sup>
- Mr Jess Oram, General Manager Exploration
- Mr Alex Rybak, Chief Commercial Officer

These Executive KMP held their positions throughout the whole of the 2023 financial year except as noted.

<sup>1</sup>Appointed 1 February 2023

<sup>2</sup>Resigned 31 July 2022

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For the purposes of this report, the term Executives encompasses Executive KMP.

There have been no other changes to Executive KMP after the reporting date.

## REMUNERATION REPORT (AUDITED)

### REMUNERATION FRAMEWORK

#### Outline of Remuneration Framework

In September 2021, BDO Remuneration completed an independent Executive and non-executive director Remuneration Review (the 'BDO Review'). The BDO Review was assessed and changes to the remuneration framework were adopted by the Committee in August 2022 and subsequently approved by the Company's Board of Directors. The review included market benchmarking of fixed remuneration for Executives and non-executive directors, as well as proposals regarding an Executive Long-Term Incentive (LTI) plan and the associated award of Performance Rights (PRs).

After assessing the BDO Review, the Committee endorsed an LTI plan for Executives, to align performance with creating long-term value for the shareholders. The structure of this framework is provided in Figure 1 below.

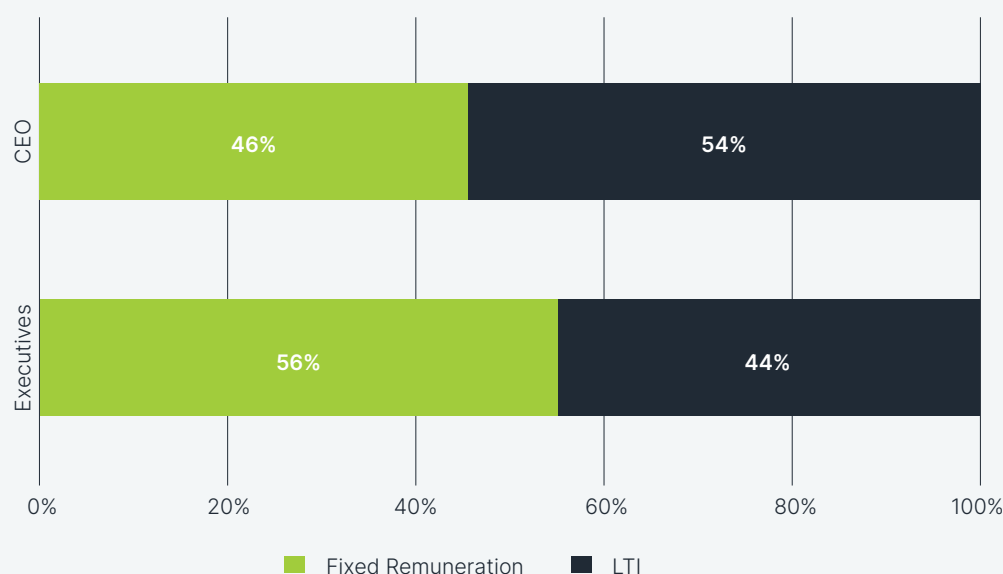
Figure 1: Remuneration Framework

| Element                                                                                      | Purpose                                                                                             | Performance Metrics                                                                                                                          | Potential Value                                                                      | Changes for FY2023 |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------|
| Fixed Remuneration (FR)                                                                      | Provide market competitive base salary including statutory superannuation and non-monetary benefits | Base Salary – Nil                                                                                                                            | Positioned at median market rate                                                     | Nil                |
|                                                                                              |                                                                                                     | Statutory Superannuation – Nil                                                                                                               | Statutory % of base salary                                                           |                    |
| Long Term Incentive (LTI). Variable Performance Linked Remuneration ("at risk" remuneration) | Performance Rights aligned to the achievement of long term shareholder value                        | Award determined based on individual position. Vesting dependent on peer group hurdles creation of shareholder value over three-year period. | CEO Annual Allocation: 140% of FR<br><br>Executive KMP Annual Allocation: 110% of FR | Nil                |

#### Executive KMP Remuneration FY2023

The Total Incentive Opportunity (TIO) represents the sum of the fixed and LTI opportunities. The TIO Target Remuneration is shown in Figure 2.

Figure 2: TIO Target Remuneration Mix for FY2023



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## REMUNERATION REPORT (AUDITED)

### Fixed Remuneration FY2023

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits. Fixed remuneration is reviewed annually by the Committee, with reference to the Company's performance, individual's performance and benchmark information from ASX-listed and general mining organisations. It is determined from the present value or market rate of the role and is set with reference to the market median, cognisant of each Executive's accountability, location, skill set and experience.

### Long-Term Incentive Plan FY2023

The LTI Plan is an 'at-risk' component of the remuneration intended to align the interests of Executive KMP with long-term shareholder returns. It is an equity-based award designed to attract, motivate and retain employees.

LTI Plan awards are made under the Performance Share Rights Plan (2020), approved by Shareholders on 17 November 2020.

For FY2023, the Board approved the following peer groups:

- Uranium Peer Group (50% of award); and
- General Mining Peer Group ASX300 (50% of award).

The peer groups are detailed in Figures 3 and 4. The FY2023 LTI Plan award will be assessed at the end of the financial year 2025.

The key elements of the LTI Plan as it relates to the Executive KMP is as follows:

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Vesting Period</b>              | Performance is measured over a three-year vesting period commencing on 1 July of the financial year.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>LTI Plan Vehicle</b>            | LTI Plan awards are delivered in performance rights granted for no consideration. The performance rights are a right to receive fully paid ordinary shares subject to meeting the performance and vesting conditions.                                                                                                                                                                                                                                                                                                        |
| <b>LTI Plan Opportunity</b>        | <p>The LTI Plan opportunity is calculated as a percentage of FR.</p> <p>The maximum opportunity for the CEO is 140% of FR and 110% of FR for the remaining Executive KMP.</p> <p>The number of performance rights granted is calculated by multiplying the LTI Plan opportunity value (eg the applicable percentage of FR) by the Fixed Remuneration and dividing by the VWAP for Paladin shares over a period determined by the Board at the time of the award.</p>                                                         |
| <b>Performance Measures</b>        | <p>The Board has approved relative Total Shareholder Return (rTSR) as the performance measure as it aligns participants remuneration with the return received by shareholders and reflects creation of shareholder value compared to peers.</p> <p>To ensure the effectiveness and relevance of the rTSR measure, the peer group(s) against which Paladin is measured will be reviewed annually to ensure a diverse group of companies against which Paladin's share price performance can be appropriately benchmarked.</p> |
| <b>Dividends and Voting Rights</b> | Performance rights do not carry entitlements to dividend, dividend equivalent payments or voting.                                                                                                                                                                                                                                                                                                                                                                                                                            |

## REMUNERATION REPORT (AUDITED)

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                     |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>Vesting Hurdle</b>                | The vesting of the LTI Plan will be dependent on the outcome of Paladin's rTSR performance. There is a minimum performance level that must be achieved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     |
|                                      | <b>Relative TSR Performance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>% Performance Rights to Vest</b> |
|                                      | Peer TSR Comparison <50 <sup>th</sup> percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0%                                  |
|                                      | 50 <sup>th</sup> percentile < peer TSR comparison < 75 <sup>th</sup> percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Pro-rata between 50% and 100%       |
|                                      | Peer TSR comparison > 75 <sup>th</sup> percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 100%                                |
| <b>Assessing</b>                     | The Committee is responsible for assessing performance against criteria and recommending to the Board the LTI Plan award to be paid. To assist in this assessment a third-party service provider will be engaged to report on the market performance condition (i.e. rTSR ranking within the comparator group as defined in each of the LTI Plan at each grant date).                                                                                                                                                                                                                                                   |                                     |
| <b>Vesting of Performance Rights</b> | <p>Vesting of the performance rights is subject to continuity of service (unless the Board determines otherwise) and the assessment of Paladin's rTSR performance as set out above.</p> <p>To the extent that the applicable performance measures are achieved at the end of the three-year performance period, LTI Plan awards are delivered by vesting of all or a portion of performance rights in return for allocation to participants of fully paid ordinary shares.</p> <p>Once the performance right vests, participants will have two years to exercise the performance right, after which it will expire.</p> |                                     |
| <b>Cessation of employment</b>       | If an Executive resigns during this period, they will ordinarily forfeit their performance rights at the Board's discretion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     |
| <b>Change of Control</b>             | If a change of control event occurs the Board may determine in its absolute discretion the treatment of unvested performance rights and the timing of such treatment, which may include determining that some or all unvested performance rights vest, lapse or become subject to substitute or varied conditions. Any performance rights not vested under the Change of Control rules lapse immediately.                                                                                                                                                                                                               |                                     |
| <b>Clawback</b>                      | The Board has discretion to reduce or clawback all vested and unvested awards in certain circumstances to ensure Executives do not obtain an inappropriate benefit. The circumstances in which the Board may exercise this discretion are extensive and include situations where an Executive has engaged in misconduct, where there has been a material misstatement of the Company's results, behaviours of Executives that bring the Company into disrepute or any other reasonable factor as determined by the Board.                                                                                               |                                     |

## REMUNERATION REPORT (AUDITED)

Figure 3: Uranium Peer Group (50% of award)

| Company                                 | Code     | Company                                                                | Code     |
|-----------------------------------------|----------|------------------------------------------------------------------------|----------|
| Cameco Corporation                      | TSX:CCO  | Uranium Energy Corp.                                                   | NYSE:UEC |
| JSC National Atomic Company Kazatomprom | DB:OZQ   | Global Atomic Corporation                                              | TSX:GLO  |
| Nextgen Energy Limited                  | TSX:NXE  | Ur Energy Inc.                                                         | NYSE:URG |
| Denison Mines Corp                      | TSX:DML  | Encore Energy Corp.                                                    | TSXV:EU  |
| Energy Fuels Inc.                       | TSX:EFR  | Deep Yellow Limited                                                    | ASX: DYL |
| Bannerman Energy Limited                | ASX: BMN | Lotus Resources Limited                                                | ASX: LOT |
| Boss Energy Limited                     | ASX: BOE | Vimy Resources Limited (merged with Deep Yellow Limited 5 August 2022) | ASX: VMY |
| Fission Uranium Corp.                   | TSX: FCU |                                                                        |          |

Figure 4: General Mining Peer Group ASX300 (50% of award)

| Company                   | Code | Company              | Code | Company                    | Code |
|---------------------------|------|----------------------|------|----------------------------|------|
| Deterra Royalties Ltd     | DRR  | Sandfire Resources   | SFR  | West African Resources Ltd | WAF  |
| Iluka Resources Ltd       | ILU  | Perseus Mining Ltd   | PRU  | Capricorn Metals           | CMM  |
| Whitehaven Coal Ltd       | WHC  | Regis Resources      | RRL  | Bellevue Gold Ltd          | BGL  |
| Liontown Resources Ltd    | LTR  | De Grey Mining       | DEG  | Westgold Resources         | WGX  |
| Coronado Global Res       | CRN  | Silver Lake Resource | SLR  | Red 5 Limited              | RED  |
| Nickel Industries Limited | NIC  | Gold Road Res Ltd    | GOR  | SSR Mining Inc             | SSR  |
| Champion Iron Ltd         | CIA  | Ramelius Resources   | RMS  | Aurelia Metals Ltd         | AMI  |
| Chalice Mining Ltd        | CHN  | Ioneer Ltd           | INR  |                            |      |
| New Hope Corporation      | NHC  | St Barbara Limited   | SBM  |                            |      |

Details of PRs issued to Executives as part of the FY2023 LTI Plan are provided below in Figure 8.

## REMUNERATION REPORT (AUDITED)

### FY2023 Contractual Arrangements with Executive KMP

Remuneration and other terms of employment for the Executives are formalised in Executive contracts. All contracts with Executives may be terminated by either party providing between three and six months written notice or providing payments in lieu of the notice period (based on a fixed component of remuneration).

Figure 5: Summary of Contractual Arrangements with Executives

| Component                                                   | CEO Description                                                                                                                                                                                      | COO Description | CFO Description | Other Executive Description             |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------------------------------|
| Fixed Remuneration (exclusive of superannuation)            | A\$560,000                                                                                                                                                                                           | A\$380,000      | A\$360,500      | Range between A\$300,000 and A\$310,000 |
| Contract duration                                           | No fixed term                                                                                                                                                                                        | No fixed term   | No fixed term   | No fixed term                           |
| Notice by the individual/Company                            | 6 months                                                                                                                                                                                             | 3 months        | 3 months        | 3 months                                |
| Termination Benefit                                         | Not specified                                                                                                                                                                                        | Not specified   | Not specified   | Not specified                           |
| Termination of employment (without cause)                   | Long Term Incentive: 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. |                 |                 |                                         |
| Termination of employment (with cause) or by the individual |                                                                                                                                                                                                      |                 |                 |                                         |

## REMUNERATION REPORT (AUDITED)

### REMUNERATION FRAMEWORK FY2024

Attracting and retaining exceptional talent is crucial for Paladin's long-term sustainability and achievement of strategic objectives. In a competitive marketplace, a remuneration framework that aligns with market practice and rewards performance is vital in retaining Executive KMP who can adeptly navigate the opportunities ahead.

In readiness for first production at the Langer Heinrich Mine in Q1 CY2024, and the pivot to a production environment, the Company engaged Korn Ferry to conduct a comprehensive independent review of the Company's remuneration framework in May 2023 ('the Korn Ferry Review'). Korn Ferry benchmarked Paladin's remuneration framework against a peer group of comparable ASX-listed organisations and considered the current remuneration framework against market practice.

As a result of the benchmarking and analysis, Paladin has adopted a strategic market position for all components of the remuneration framework, including fixed remuneration, total annual and aggregate reward (including STIP and LTIP) targeting a market range of between the 50% and 75% percentile.

In the current business landscape, there is substantial competition for top talent, and market forces such as wage pressures being experienced broadly across industry can further intensify this competition. Adopting this target market position ensures Paladin offers remuneration commensurate with market practice and competitive with peer companies.

The Korn Ferry Review was assessed and changes to the remuneration framework were adopted by the Committee in June 2023 and subsequently approved by the Company's Board. Detailed information on the changes to the Executive KMP remuneration framework will be disclosed in full in the Company's FY2024 Remuneration Report.

### Executive Recommendations

The Board has approved the following changes for Executive KMP effective FY2024:

- Increases in fixed remuneration (**FR**)
- The implementation of a Short-Term Incentive Plan (**STIP**) to further align Executive KMP rewards with performance; and
- Long Term Incentive Plan (**LTIP**) awards, at a reduced opportunity, reflecting the introduction of the STI Plan. Additionally, introduction of a partial performance gateway to further align Executive KMP rewards with shareholder experience

The revised framework and remuneration mix of fixed remuneration, short and long-term remuneration is designed to competitively retain and reward Executive KMP based on their performance.

Figure 6: Total Annual Reward FY2024

| Element                                                                                      | Purpose                                                                                                                                                         | Performance Metrics                                                                                                                          | Potential Value                                                                                                           |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Fixed Remuneration (FR)                                                                      | Provide market competitive base salary including statutory superannuation and non-monetary benefits, determined by the scope of the role, experience and skills | Base Salary – Nil                                                                                                                            | Positioned at the 50%-75% percentile                                                                                      |
|                                                                                              |                                                                                                                                                                 | Statutory Superannuation – Nil                                                                                                               | Maximum quarterly statutory superannuation cap                                                                            |
| Short Term Incentive (STI) Variable Performance Linked Remuneration ("at risk" remuneration) | Incentive based on the achievement of short term corporate objectives                                                                                           | Award determined based on individual position. Cash payment based on the achievement of short-term objectives over a 12-month period.        | CEO Annual Allocation of FR: 60% target – 120% stretch<br>Executive KMP Annual Allocation of FR: 50% target -100% stretch |
| Long Term Incentive (LTI). Variable Performance Linked Remuneration ("at risk" remuneration) | Performance Rights aligned to the achievement of long-term shareholder value                                                                                    | Award determined based on individual position. Vesting dependent on peer group hurdles creation of shareholder value over three-year period. | CEO Annual Allocation: 140% of FR<br>Executive KMP Annual Allocation: 100% of FR                                          |

## REMUNERATION REPORT (AUDITED)

### Fixed Remuneration

Executive KMP Fixed Remuneration has been reviewed for FY2024 considering the adopted target market position and benchmarked against a peer group of comparable ASX listed organisations. As a result, effective 1 July 2024 the following increases have been implemented:

Figure 7: FY2024 Fixed Remuneration

| Component                                        | CEO        | COO        | CFO        | CCO        |
|--------------------------------------------------|------------|------------|------------|------------|
| Fixed Remuneration (exclusive of superannuation) | A\$717,600 | A\$457,600 | A\$437,600 | A\$357,600 |

## LINKING LONG TERM PERFORMANCE AND SHAREHOLDER VALUE

### Share Rights Plan Overview

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 Rights Plans terms were amended and approved by shareholders at the 2020 Annual General Meeting (2020 Employee Share Rights Plan).

The Rights Plan is the mechanism under which Executives have been awarded:

- Long Term Incentive Plan Performance Rights, (current incentive grant)
- Performance Rights on commencement of employment
- Share Appreciation Rights, (previous incentive grant – no longer utilised for new incentive grants).

### Performance Rights Terms and Conditions – LTI

The terms, conditions, and valuation of each grant of PRs affecting remuneration in the current or a future reporting period are as follows:

Figure 8: Performance Rights Terms and Conditions issued to Executives as the FY2023 LTI

| Grant date                     | Vesting and exercise date | Expiry date       | No granted | Exercise price | Value per PR at grant date | Performance achieved | % Vested |
|--------------------------------|---------------------------|-------------------|------------|----------------|----------------------------|----------------------|----------|
| 28 September 2022              | 31 December 2023          | 28 September 2027 | 529,150    | A\$0.00        | A\$0.735                   | Retention based      | -        |
| 28 September 2022 <sup>1</sup> | 30 June 2025              | 28 September 2027 | 1,390,917  | A\$0.00        | A\$0.631                   | To be determined     | -        |
| 28 September 2022 <sup>2</sup> | 30 June 2025              | 28 September 2027 | 1,390,917  | A\$0.00        | A\$0.629                   | To be determined     | -        |
| 28 March 2023                  | 31 December 2023          | 28 March 2028     | 203,401    | A\$0.00        | A\$0.605                   | Retention based      | -        |
| 28 March 2023 <sup>1</sup>     | 30 June 2025              | 28 March 2028     | 271,201    | A\$0.00        | A\$0.484                   | To be determined     | -        |
| 28 March 2023 <sup>2</sup>     | 30 June 2025              | 28 March 2028     | 271,201    | A\$0.00        | A\$0.412                   | To be determined     | -        |

<sup>1</sup> The number of PRs that vest is based on the Total Shareholder Return (TSR) of Paladin over the performance period of three years, relative to the TSR performance of a nominated peer group of 15 international uranium focused companies.

<sup>2</sup> The number of PRs that vest is based on the TSR of Paladin relative to the performance of a nominated general mining peer group of 25 ASX listed companies.

## REMUNERATION REPORT (AUDITED)

### Performance Rights on Commencement of Employment

Performance Rights were issued to Executives appointed in FY2023 at the commencement of their employment. These PRs were provided as a mechanism to attract and retain Executives in the current market. These PRs have a two-year vesting period and are contingent on continued employment with the Company. The PRs issued on commencement are provided below in Figure 9.

Figure 9: Performance Rights issued to Executives on commencement of employment

| Grant date    | Vesting and exercise date | Expiry date     | No granted | Exercise price | Value per PR at grant date | Performance achieved | % Vested |
|---------------|---------------------------|-----------------|------------|----------------|----------------------------|----------------------|----------|
| 28 March 2023 | 31 January 2025           | 1 February 2028 | 500,000    | A\$0.00        | A\$0.605                   | Retention based      | -        |

### Share Appreciation Rights Terms and Conditions

Paladin has historically granted Share Appreciation Rights (SARs) to Executives under the Rights Plan.

The number of SARs over ordinary shares in the Company provided as remuneration to Executives is shown in Figure 10 below. The SARs carry no dividend or voting rights. Figure 10 contains the conditions that must be satisfied for the SARs to vest.

When exercisable, each SAR is convertible into one ordinary share of Paladin Energy Ltd. The exercise price of SARs is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the five business days up to and including the date of grant.

The terms, conditions, and valuation of each grant of SARs affecting remuneration in the current or a future reporting period are as follows:

Figure 10: Share Appreciation Rights vesting during the year and in future periods

| Grant date  | Vesting and exercise date | Expiry date | Number    | Exercise price | Value per SAR at grant date | Performance achieved | % Vested |
|-------------|---------------------------|-------------|-----------|----------------|-----------------------------|----------------------|----------|
| 1 July 2019 | 1 July 2022               | 1 July 2027 | 1,100,000 | A\$0.1226      | A\$0.07                     | Retention based      | 100%     |

## RECONCILIATION OF PERFORMANCE BASED REMUNERATION

The number of PRs over ordinary shares in the Company provided as remuneration to Executives is shown in Figure 11 below. The PRs carry no dividend or voting rights. When exercisable, each PR is convertible into one ordinary share of Paladin Energy Ltd.

Figure 11 shows for each Executive the value of PRs and SARs that were granted, exercised, and forfeited during FY2023. The number of PRs and SARs vested/forfeited for each grant during FY2023 are disclosed in Figures 12 and Figure 13 below.

Figure 11: Performance based remuneration granted and forfeited during the year

| 2023              | Performance Rights |                      |                      |
|-------------------|--------------------|----------------------|----------------------|
|                   | Value granted US\$ | Value exercised US\$ | Value forfeited US\$ |
| Ian Purdy         | 461,145            | -                    | -                    |
| Paul Hemburrow    | 97,005             | -                    | -                    |
| Anna Sudlow       | 264,837            | -                    | -                    |
| Jonathon Clements | -                  | -                    | (184,850)            |
| Jess Oram         | 368,610            | -                    | -                    |
| Alex Rybak        | 368,610            | -                    | -                    |

## REMUNERATION REPORT (AUDITED)

The table below shows a reconciliation of PRs held by each Executive from the beginning to the end of FY2023.

No SARs were granted, exercised, or forfeited during the year.

Figure 12: Reconciliation of Performance Rights

| Balance at the start of the year |                        | Vested                  |        |   | Forfeited |           | Performance achieved |                        |           |
|----------------------------------|------------------------|-------------------------|--------|---|-----------|-----------|----------------------|------------------------|-----------|
| Name                             | Unvested               | Granted as compensation | Number | % | Exercised | Number    | %                    | Vested and exercisable | Unvested  |
| Ian Purdy                        | 1,630,895 <sup>1</sup> | 1,370,766 <sup>4</sup>  | -      | - | -         | -         | -                    | -                      | 3,001,661 |
| Paul Hemburrow                   | -                      | 745,809 <sup>3</sup>    | -      | - | -         | -         | -                    | -                      | 745,809   |
| Paul Hemburrow <sup>5</sup>      | -                      | 500,000                 | -      | - | -         | -         | -                    | -                      | 500,000   |
| Anna Sudlow                      | 820,293 <sup>1</sup>   | 709,919 <sup>4</sup>    | -      | - | -         | -         | -                    | -                      | 1,530,212 |
| Jonathon Clements                | 798,334 <sup>1</sup>   | -                       | -      | - | -         | (798,334) | 100                  | -                      | -         |
| Jess Oram                        | 710,501 <sup>1</sup>   | 615,151 <sup>4</sup>    | -      | - | -         | -         | -                    | -                      | 1,325,652 |
| Jess Oram                        | 500,000 <sup>2</sup>   | -                       | -      | - | -         | -         | -                    | -                      | 500,000   |
| Alex Rybak                       | 710,501 <sup>1</sup>   | 615,151 <sup>4</sup>    | -      | - | -         | -         | -                    | -                      | 1,325,652 |
| Alex Rybak                       | 500,000 <sup>2</sup>   | -                       | -      | - | -         | -         | -                    | -                      | 500,000   |

<sup>1</sup> Grant date 3 November 2021 as part of the FY2022 LTI

<sup>2</sup> Grant date 7 September 2021 as commencement PRs

<sup>3</sup> Grant date 28 March 2023 as part of the FY2023 LTI

<sup>4</sup> Grant date 28 September 2022 as part of the FY2023 LTI

<sup>5</sup> Grant date 28 March 2023 as commencement PRs

The table below shows a reconciliation of SARs held by each Executive from the beginning to the end of FY2023. At the commencement of FY2022, 1,400,000 SARs had vested. On 1 July 2022, a further 1,100,000 SARs vested.

Figure 13: Reconciliation of Share Appreciation Rights

| Balance at the start of the year |           | Vested                  |           |     | Forfeited |        | Balance at the end of the year |                        |          |
|----------------------------------|-----------|-------------------------|-----------|-----|-----------|--------|--------------------------------|------------------------|----------|
| Name & grant date                | Unvested  | Granted as compensation | Number    | %   | Exercised | Number | %                              | Vested and exercisable | Unvested |
| Anna Sudlow <sup>1</sup>         | 1,400,000 | -                       | 1,100,000 | 100 | -         | -      | -                              | 2,500,000              | -        |

<sup>1</sup> Granted 1 July 2019. Fair value per right at grant date was A\$0.05, A\$0.06 and A\$0.07

## REMUNERATION REPORT (AUDITED)

### REMUNERATION EXPENSES FOR EXECUTIVE KMP

The following table shows details of the remuneration expense recognised for the Group's Executive KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards.

Figure 14: Compensation of Executive KMP

| Name                                      | Year | Salary & Fees <sup>1</sup><br>US\$ | Fixed Remuneration |                        | Variable<br>Remuneration | US\$      | Total     | Total Performance<br>Related |      |
|-------------------------------------------|------|------------------------------------|--------------------|------------------------|--------------------------|-----------|-----------|------------------------------|------|
|                                           |      |                                    | Other<br>US\$      | Superannuation<br>US\$ | PRs and SARs<br>US\$     |           | A\$       | US\$                         | %    |
| Ian Purdy                                 | 2023 | 375,945                            | -                  | 16,980                 | 461,146                  | 854,071   | 1,272,207 | 461,146                      | 54.0 |
|                                           | 2022 | 406,000                            | -                  | 17,087                 | 289,885                  | 712,972   | 1,062,029 | 289,885                      | 40.7 |
| Paul Hemburrow <sup>2</sup>               | 2023 | 106,294                            | -                  | 11,161                 | 97,005                   | 214,460   | 319,455   | 97,005                       | 45.2 |
| Anna Sudlow                               | 2023 | 242,015                            | 4,769 <sup>3</sup> | 16,980                 | 264,837                  | 528,601   | 787,393   | 264,386                      | 50.1 |
|                                           | 2022 | 253,750                            | 5,151              | 17,087                 | 145,804                  | 421,792   | 628,293   | 145,804                      | 34.6 |
| Jonathon Clements <sup>4</sup>            | 2023 | 19,021                             | 13,168             | 1,997                  | -                        | 34,186    | 50,923    | -                            | 0.0  |
|                                           | 2022 | 246,500                            | -                  | 17,087                 | 141,901                  | 405,488   | 604,007   | 141,901                      | 35.0 |
| Jess Oram                                 | 2023 | 207,441                            | -                  | 16,980                 | 368,610                  | 593,031   | 883,367   | 368,610                      | 62.2 |
|                                           | 2022 | 207,614                            | -                  | 20,001                 | 242,649                  | 470,624   | 700,496   | 242,649                      | 51.6 |
| Alex Rybak                                | 2023 | 207,441                            | -                  | 18,180                 | 368,610                  | 594,231   | 885,155   | 368,610                      | 62.0 |
|                                           | 2022 | 207,614                            | -                  | 20,761                 | 242,649                  | 471,024   | 701,628   | 242,649                      | 51.5 |
| Total Executive KMP remuneration expensed | 2023 | 1,158,157                          | 17,937             | 82,278                 | 1,560,208                | 2,818,580 | 4,198,500 | 1,560,208                    |      |
|                                           | 2022 | 1,321,478                          | 5,151              | 92,023                 | 1,062,888                | 2,481,540 | 3,696,453 | 1,062,888                    |      |

The FY2022 comparative value has been restated for the under recognition of share-based payment expense as a result of the correction in the Performance Right's service commencement period. This increases the variable remuneration for Mr Ian Purdy by US\$69,266, Ms Anna Sudlow by US\$15,139, Mr Jonathan Clements by US\$33,906, Mr Jess Oram by US\$26,198 and Mr Alex Rybak by US\$26,198.

<sup>1</sup> Includes 4 weeks annual leave per annum

<sup>2</sup> Appointed 1 February 2023

<sup>3</sup> Insurance

<sup>4</sup> Resigned 31 July 2022

#### 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 the most relevant comparator between years, given that 100% of KMP 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 the average for the 2023 financial year US\$1 = A\$1.489580 (2022 financial year US\$1 = A\$1.379310).

For accounting purposes, the fair value at grant date is shown above in accordance with AASB 2 Share Based Payment. The PRs subject to TSR conditions have been independently valued using a hybrid employee share option pricing model which uses a correlated simulation that simultaneously calculates the returns from the Company's and the individual peer group companies' TSR (for Peer Groups 1 and 2) on a risk-neutral basis as at the vesting date with regards to the remaining performance measurement period. The PRs subject to non-market conditions have been valued with reference to the Paladin share price on grant date. The fair value of PRs granted are set out in Figures 8 and 9. The fair value at the grant date represents the maximum possible total fair value of the shares. The minimum value of unvested shares is \$Nil.

## REMUNERATION REPORT (AUDITED)

### NON-EXECUTIVE DIRECTOR REMUNERATION

Paladin's non-executive directors' remuneration policy aims to reward directors fairly and responsibly with regards to the demands which are made on them, and the responsibilities of, the directors. The Board may seek advice from external consultants to help review non-executive director fees.

The aggregate annual fees permitted to be paid to non-executive directors may not exceed the fee pool limit, currently A\$1,200,000 (US\$805,596) as approved by shareholders at the 2008 Annual General Meeting.

Non-executive director's remuneration consists of a base board fee see Figure 15 below, inclusive of superannuation. Non-executive directors are not entitled to retirement benefits other than statutory superannuation in accordance with applicable laws, nor do they participate in performance-based incentive plans. There is no entitlement to compensation on termination of non-executive directorships.

#### Expenses and Additional Fees

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 (Additional Fees). 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 in Figure 15 below. Refer Figure 16 below for details of compensation paid to Directors during FY2023.

Directors are also entitled to be reimbursed for reasonable expenses incurred whilst engaged on Paladin business. Payments for, or reimbursement of, expenses, and any Additional Fees, are not included in the fee pool limit.

Figure 15: Non-Executive Directors' Remuneration Arrangements

| Remuneration component | Elements                                                       | Details (per annum)                                                                    |
|------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Base fee               | Must be contained within aggregate limit                       | Chair<br>A\$150,000 (US\$100,700)<br>Non-Executive Director<br>A\$100,000 (US\$67,133) |
| Superannuation         | Statutory contributions are included in the fees set out above |                                                                                        |

Fees (inclusive of superannuation) paid for the year to 30 June 2023 total US\$463,454 (A\$690,353). No additional fees were paid during the year ended 30 June 2023, other than the Directors' fees disclosed.

## REMUNERATION REPORT (AUDITED)

Figure 16: Compensation of Non-Executive Directors

| Name                                                 | Year | Fixed Remuneration         |                | Variable<br>Remuneration<br>- LTI | Total   |         | Total performance<br>related |   |
|------------------------------------------------------|------|----------------------------|----------------|-----------------------------------|---------|---------|------------------------------|---|
|                                                      |      | Salary & Fees <sup>1</sup> | Superannuation | Share rights                      | US\$    | A\$     | US\$                         | % |
|                                                      |      | US\$                       | US\$           | US\$                              | US\$    | A\$     | US\$                         | % |
| Cliff Lawrenson                                      | 2023 | 91,131                     | 9,569          | -                                 | 100,700 | 150,000 | -                            | - |
|                                                      | 2022 | 108,750                    | -              | -                                 | 108,750 | 150,000 | -                            | - |
| Peter Main                                           | 2023 | 46,590                     | 20,543         | -                                 | 67,133  | 100,000 | -                            | - |
|                                                      | 2022 | 72,500                     | -              | -                                 | 72,500  | 100,000 | -                            | - |
| Peter Watson <sup>1</sup>                            | 2023 | 121,507                    | 12,758         | -                                 | 134,265 | 200,000 | -                            | - |
|                                                      | 2022 | 82,386                     | 8,239          | -                                 | 90,625  | 125,000 | -                            | - |
| Melissa Holzberger                                   | 2023 | 60,754                     | 6,379          | -                                 | 67,133  | 100,000 | -                            | - |
|                                                      | 2022 | 65,909                     | 6,591          | -                                 | 72,500  | 100,000 | -                            | - |
| Joanne Palmer                                        | 2023 | 60,754                     | 6,379          | -                                 | 67,133  | 100,000 | -                            | - |
|                                                      | 2022 | 65,909                     | 6,591          | -                                 | 72,500  | 100,000 | -                            | - |
| Dr Jon Hronsky OAM <sup>2</sup>                      | 2023 | 17,525                     | 1,840          | -                                 | 19,365  | 28,846  | -                            | - |
| Lesley Adams <sup>3</sup>                            | 2023 | 6,991                      | 734            | -                                 | 7,725   | 11,507  | -                            | - |
| <b>Total non-executive<br/>director remuneration</b> | 2023 | 405,252                    | 58,202         | -                                 | 463,454 | 690,353 | -                            | - |
|                                                      | 2022 | 395,454                    | 21,421         | -                                 | 416,875 | 575,000 | -                            | - |

<sup>1</sup> In FY2022, Peter Watson was requested by the Board to provide additional oversight to the Langer Heinrich Mine Restart Project and a variation to amend his directors' fees from A\$100,000 to A\$200,000, on an arms-length and commercial basis, was approved by the Board effective 1 April 2022. The Board considered that these services are unique, needed, limited in nature and the Board consider that they are in the best interests of shareholders.

<sup>2</sup> Appointed 20 March 2023

<sup>3</sup> Appointed 22 May 2023

## ADDITIONAL STATUTORY INFORMATION (UNAUDITED)

### Shareholdings

The table below reconciles the shareholdings of non-executive directors and Executive KMP for FY2023.

Figure 17: Shareholdings

| Name                           | Balance at the start of the year | Received during the year on the exercise of PRs | Received during the year on the exercise of SARs | Other changes during the year | Balance at the end of the year |
|--------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------------------|-------------------------------|--------------------------------|
| <b>Non-Executive Directors</b> |                                  |                                                 |                                                  |                               |                                |
| Cliff Lawrenson                | 2,235,136                        | -                                               | -                                                |                               | 2,235,136                      |
| Peter Main                     | 4,094,594                        | -                                               | -                                                |                               | 4,094,594                      |
| Peter Watson                   | 1,000,000                        | -                                               | -                                                |                               | 1,000,000                      |
| Melissa Holzberger             | 21,743                           | -                                               | -                                                |                               | 21,743                         |
| Joanne Palmer                  | 21,725                           | -                                               | -                                                |                               | 21,725                         |
| Dr Jon Hronsky OAM             | -                                | -                                               | -                                                |                               | -                              |
| Lesley Adams                   | -                                | -                                               | -                                                |                               | -                              |
| <b>Executives</b>              |                                  |                                                 |                                                  |                               |                                |
| Ian Purdy                      | 8,750,000                        | -                                               | -                                                | (3,750,000)                   | 5,000,000                      |
| Paul Hemburrow                 | -                                | -                                               | -                                                |                               | -                              |
| Anna Sudlow                    | 6,650,000                        |                                                 |                                                  | (4,050,000)                   | 2,600,000                      |
| Jonathon Clements              | 3,000,000                        | -                                               | -                                                | (1,000,000)                   | 2,000,000                      |
| Jess Oram                      | -                                | -                                               | -                                                | -                             | -                              |
| Alex Rybak                     | -                                | -                                               | -                                                | -                             | -                              |

None of the shares above are held nominally by the directors or any of the other KMP.

No other KMP held shares during the years ended 30 June 2023 and 30 June 2022.

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.

### Loans Given to Key Management Personnel

Paladin does not offer any loan facilities to KMP.

### Other Transactions with Key Management Personnel

In FY2022, Peter Watson was requested by the Board to provide additional oversight to the Langer Heinrich Mine Restart Project and a variation to amend his directors' fees from A\$100,000 to A\$200,000, on an arms-length and commercial basis, was approved by the Board effective 1 April 2022. The Board considered that these services are unique, needed, limited in nature and the Board consider that they are in the best interests of shareholders.

During FY2023, Paladin paid Dr Jon Hronsky OAM US\$8,843 (A\$13,340) in relation to the provision of geological consulting services through his company, Western Mining Services Pty Ltd which have been paid on an arms-length and commercial basis and were approved by the Board.



## Auditor's Independence Declaration

As lead auditor for the audit of Paladin Energy Ltd for the year ended 30 June 2023, 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, appearing to read 'Justin Carroll'.

Justin Carroll  
Partner  
PricewaterhouseCoopers

Perth  
25 August 2023

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# Contents of Financial Report

|                                                |    |
|------------------------------------------------|----|
| Consolidated Income Statement                  | 71 |
| Consolidated Statement of Comprehensive Income | 72 |
| Consolidated Statement of Financial Position   | 73 |
| Consolidated Statement of Changes in Equity    | 75 |
| Consolidated Statement of Cash Flows           | 76 |
| Notes to the Consolidated Financial Statements | 77 |

## Financial Report

For the year ended  
30 June 2023

## CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2023

|                                                                                       | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|---------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Revenue</b>                                                                        |       |                  |                  |
| Revenue                                                                               | 9     | —                | 4,700            |
| Cost of sales                                                                         | 10    | —                | (4,693)          |
| <b>Gross profit</b>                                                                   |       | <b>—</b>         | <b>7</b>         |
| Other income                                                                          | 10    | 4,696            | 1,011            |
| Other losses                                                                          | 10    | (512)            | (12)             |
| Foreign exchange gain/(loss) (net)                                                    | 10    | 584              | (8,179)          |
| Administration, marketing and non-production costs                                    | 10    | (17,464)         | (23,759)         |
| <b>Loss before interest and tax</b>                                                   |       | <b>(12,696)</b>  | <b>(30,932)</b>  |
| Finance costs                                                                         | 10    | (14,362)         | (13,006)         |
| <b>Net loss before income tax from continuing operations</b>                          |       | <b>(27,058)</b>  | <b>(43,938)</b>  |
| Income tax expense                                                                    | 11    | —                | (1)              |
| <b>Net loss after tax from continuing operations</b>                                  |       | <b>(27,058)</b>  | <b>(43,939)</b>  |
| Attributable to:                                                                      |       |                  |                  |
| Non-controlling interests                                                             |       | (16,486)         | (17,196)         |
| Members of the parent                                                                 |       | (10,572)         | (26,743)         |
| <b>Net loss after tax</b>                                                             |       | <b>(27,058)</b>  | <b>(43,939)</b>  |
| <b>Loss per share (US cents)</b>                                                      |       |                  |                  |
| Loss after tax from operations attributable to ordinary equity holders of the Company |       |                  |                  |
| continuing operations, basic and diluted (US cents)                                   | 12    | (0.4)            | (1.0)            |

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 2023

|                                                                                                  | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|--------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Net loss after tax</b>                                                                        |       | (27,058)         | (43,939)         |
| <b>Other comprehensive income</b>                                                                |       |                  |                  |
| <b>Items that may be subsequently reclassified to profit or loss</b>                             |       |                  |                  |
| Foreign currency translation                                                                     | 7     | (870)            | (1,254)          |
| Income tax on items of other comprehensive income                                                |       | —                | —                |
| <b>Items that will not be subsequently reclassified to profit or loss:</b>                       |       |                  |                  |
| Changes in the fair value of equity investments at fair value through other comprehensive income |       | 363              | 432              |
| <b>Other comprehensive loss for the year, net of tax</b>                                         |       | (507)            | (822)            |
| <b>Total comprehensive loss for the year</b>                                                     |       | (27,565)         | (44,761)         |
| <b>Total loss attributable to:</b>                                                               |       |                  |                  |
| Non-controlling interests                                                                        |       | (16,486)         | (17,196)         |
| Members of the parent                                                                            |       | (11,079)         | (27,565)         |
|                                                                                                  |       | (27,565)         | (44,761)         |

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

|                                        | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                          |       |                  |                  |
| <b>Current assets</b>                  |       |                  |                  |
| Cash and cash equivalents              | 5a    | 126,636          | 177,066          |
| Restricted cash                        | 5b    | 1,014            | 1,000            |
| Trade and other receivables            | 14    | 2,756            | 5,084            |
| Prepayments                            | 15    | 11,127           | 1,263            |
| Inventories                            | 16    | 5,646            | 5,100            |
| Financial assets held for sale         | 17    | 1,590            | —                |
| <b>TOTAL CURRENT ASSETS</b>            |       | <b>148,769</b>   | <b>189,513</b>   |
| <b>Non-current assets</b>              |       |                  |                  |
| Trade and other receivables            | 14    | 355              | 194              |
| Right-of-use assets                    |       | 817              | 918              |
| Property, plant and equipment          | 18    | 197,928          | 166,274          |
| Mine development                       | 19    | 22,064           | 14,975           |
| Exploration and evaluation expenditure | 20    | 95,321           | 101,327          |
| Intangible assets                      | 21    | 7,793            | 7,793            |
| <b>TOTAL NON-CURRENT ASSETS</b>        |       | <b>324,278</b>   | <b>291,481</b>   |
| <b>TOTAL ASSETS</b>                    |       | <b>473,047</b>   | <b>480,994</b>   |
| <b>LIABILITIES</b>                     |       |                  |                  |
| <b>Current liabilities</b>             |       |                  |                  |
| Trade and other payables               | 22    | 9,094            | 2,211            |
| Lease liabilities                      |       | 159              | 55               |
| Provisions                             | 23    | 331              | 335              |
| <b>TOTAL CURRENT LIABILITIES</b>       |       | <b>9,584</b>     | <b>2,601</b>     |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

|                                       | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|---------------------------------------|-------|------------------|------------------|
| <b>Non-current liabilities</b>        |       |                  |                  |
| Interest bearing loans and borrowings | 6     | 89,708           | 78,558           |
| Lease liabilities                     |       | 622              | 880              |
| Provisions                            | 23    | 38,049           | 40,543           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  |       | <b>128,379</b>   | <b>119,981</b>   |
| <b>TOTAL LIABILITIES</b>              |       | <b>137,963</b>   | <b>122,582</b>   |
| <b>NET ASSETS</b>                     |       | <b>335,084</b>   | <b>358,412</b>   |
| <b>EQUITY</b>                         |       |                  |                  |
| Contributed equity                    | 7     | 2,646,644        | 2,645,778        |
| Reserves                              | 7     | (70,004)         | (71,917)         |
| Accumulated losses                    |       | (2,169,066)      | (2,160,834)      |
| <b>Parent interests</b>               |       | <b>407,574</b>   | <b>413,027</b>   |
| Non-controlling interests             |       | (72,490)         | (54,615)         |
| <b>TOTAL EQUITY</b>                   |       | <b>335,084</b>   | <b>358,412</b>   |

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 2023

|                                                                                                                          | Contributed<br>Equity<br>(Note 7)<br>US\$'000 | Reserves<br>(Note 7)<br>US\$'000 | Accumulated<br>Losses<br>US\$'000 | Attributable<br>to<br>Owners of<br>the Parent<br>US\$'000 | Non-<br>Controlling<br>Interests<br>US\$'000 | Total<br>US\$'000 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|-----------------------------------|-----------------------------------------------------------|----------------------------------------------|-------------------|
| <b>Balance at 30 June 2021</b>                                                                                           | <b>2,489,082</b>                              | <b>(59,354)</b>                  | <b>(2,146,511)</b>                | <b>283,217</b>                                            | <b>(36,509)</b>                              | <b>246,708</b>    |
| Loss for the period                                                                                                      | —                                             | —                                | (26,743)                          | (26,743)                                                  | (17,196)                                     | (43,939)          |
| Other comprehensive income                                                                                               | —                                             | (822)                            | —                                 | (822)                                                     | —                                            | (822)             |
| <b>Total comprehensive loss for the year net of tax</b>                                                                  | <b>—</b>                                      | <b>(822)</b>                     | <b>(26,743)</b>                   | <b>(27,565)</b>                                           | <b>(17,196)</b>                              | <b>(44,761)</b>   |
| Share-based payments                                                                                                     | 111                                           | 1,885                            | —                                 | 1,996                                                     | —                                            | 1,996             |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | —                                             | (10,866)                         | 10,866                            | —                                                         | —                                            | —                 |
| Transfer of reserves on deregistration of subsidiaries through the income statement                                      | —                                             | (2,760)                          | —                                 | (2,760)                                                   | —                                            | (2,760)           |
| Capital raising (net of costs)                                                                                           | 156,585                                       | —                                | —                                 | 156,585                                                   | —                                            | 156,585           |
| Earn in of 5% share of Michelin Project                                                                                  | —                                             | —                                | 1,554                             | 1,554                                                     | (1,554)                                      | —                 |
| Transactions with owners in their capacity as owners                                                                     | —                                             | —                                | —                                 | —                                                         | 644                                          | 644               |
| <b>Balance at 30 June 2022</b>                                                                                           | <b>2,645,778</b>                              | <b>(71,917)</b>                  | <b>(2,160,834)</b>                | <b>413,027</b>                                            | <b>(54,615)</b>                              | <b>358,412</b>    |
| Loss for the period                                                                                                      | —                                             | —                                | (10,572)                          | (10,572)                                                  | (16,486)                                     | (27,058)          |
| Other comprehensive income                                                                                               | —                                             | (507)                            | —                                 | (507)                                                     | —                                            | (507)             |
| <b>Total comprehensive loss for the year net of tax</b>                                                                  | <b>—</b>                                      | <b>(507)</b>                     | <b>(10,572)</b>                   | <b>(11,079)</b>                                           | <b>(16,486)</b>                              | <b>(27,565)</b>   |
| Share-based payments                                                                                                     | 866                                           | 3,226                            | —                                 | 4,092                                                     | —                                            | 4,092             |
| Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings | —                                             | (806)                            | 806                               | —                                                         | —                                            | —                 |
| Earn in of 5% share of Michelin Project                                                                                  | —                                             | —                                | 1,534                             | 1,534                                                     | (1,534)                                      | —                 |
| Transactions with owners in their capacity as owners                                                                     | —                                             | —                                | —                                 | —                                                         | 145                                          | 145               |
| <b>Balance at 30 June 2023</b>                                                                                           | <b>2,646,644</b>                              | <b>(70,004)</b>                  | <b>(2,169,066)</b>                | <b>407,574</b>                                            | <b>(72,490)</b>                              | <b>335,084</b>    |

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 2023

|                                                                                | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|--------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |       |                  |                  |
| Receipts from customers <sup>1</sup>                                           |       | —                | 4,700            |
| Payments to suppliers and employees <sup>2</sup>                               |       | (13,630)         | (11,718)         |
| Other income                                                                   |       | 81               | 158              |
| Interest received                                                              |       | 4,174            | 67               |
| Tax paid                                                                       |       | —                | (1)              |
| <b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>                              | 13    | <b>(9,375)</b>   | <b>(6,794)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |       |                  |                  |
| Payments for property, plant and equipment                                     |       | (734)            | (180)            |
| Capitalised exploration expenditure                                            |       | (1,910)          | (1,005)          |
| LHM Restart Project                                                            |       | (36,955)         | —                |
| LHM Restart Study Costs                                                        |       | —                | (2,242)          |
| Proceeds from sale of subsidiary                                               |       | 3,000            | 2,000            |
| Proceeds from sale of investments <sup>3,4</sup>                               |       | 805              | 13,386           |
| <b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>                     |       | <b>(35,794)</b>  | <b>11,959</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |       |                  |                  |
| Proceeds from issue of shares                                                  |       | —                | 162,514          |
| Equity fundraising costs                                                       |       | —                | (5,929)          |
| Funds received from Shareholder <sup>5</sup>                                   |       | 85               | 811              |
| <b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>                               |       | <b>85</b>        | <b>157,396</b>   |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>                    |       | <b>(45,084)</b>  | <b>162,561</b>   |
| Unrestricted cash and cash equivalents at the beginning of the financial year  |       | 177,066          | 30,661           |
| Effects of exchange rate changes on cash and cash equivalents                  |       | (5,346)          | (16,156)         |
| <b>UNRESTRICTED CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b> |       | <b>126,636</b>   | <b>177,066</b>   |

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

1 During FY2022 the Company participated in a spot trading opportunity (FY2023: US\$Nil).

2 Includes cost of sales relating to the spot trade of US\$4,692,500 (FY2023: US\$Nil).

3 During FY2022 the Company sold 90M shares in Lotus Resources Ltd

4 During FY2023 the Company sold 390k shares in Global Atomic Corporation shares

5 Funds received by way of loan from CNNC Overseas Limited to Langer Heinrich Uranium Pty Ltd to fund care and maintenance activities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

|                                                                                                              |            |
|--------------------------------------------------------------------------------------------------------------|------------|
| <b>BASIS OF PREPARATION</b> .....                                                                            | <b>78</b>  |
| <b>Note 1.</b> Corporate Information .....                                                                   | 78         |
| <b>Note 2.</b> Structure of the Financial Report .....                                                       | 78         |
| <b>Note 3.</b> Basis of Preparation .....                                                                    | 78         |
| <b>SEGMENT REPORTING</b> .....                                                                               | <b>80</b>  |
| <b>Note 4.</b> Segment Information .....                                                                     | 80         |
| <b>CAPITAL STRUCTURE</b> .....                                                                               | <b>83</b>  |
| <b>Note 5a.</b> Cash and Cash Equivalents .....                                                              | 83         |
| <b>Note 5b.</b> Restricted Cash .....                                                                        | 83         |
| <b>Note 6.</b> Interest Bearing Loans and Borrowings .....                                                   | 83         |
| <b>Note 7.</b> Contributed Equity and Reserves .....                                                         | 85         |
| <b>Note 8.</b> Financial Risk Management .....                                                               | 87         |
| <b>PERFORMANCE FOR THE YEAR</b> .....                                                                        | <b>94</b>  |
| <b>Note 9.</b> Revenue .....                                                                                 | 94         |
| <b>Note 10.</b> Income and Expenses .....                                                                    | 95         |
| <b>Note 11.</b> Income and Other Taxes .....                                                                 | 96         |
| <b>Note 12.</b> Earnings Per Share .....                                                                     | 99         |
| <b>Note 13.</b> Reconciliation of Earnings After Income Tax to Net Cash Flow from Operating Activities ..... | 100        |
| <b>OPERATING ASSETS AND LIABILITIES</b> .....                                                                | <b>101</b> |
| <b>Note 14.</b> Trade and Other Receivables .....                                                            | 101        |
| <b>Note 15.</b> Prepayments .....                                                                            | 102        |
| <b>Note 16.</b> Inventories .....                                                                            | 102        |
| <b>Note 17.</b> Financial Assets – Held for Sale .....                                                       | 103        |
| <b>Note 18.</b> Property, Plant and Equipment .....                                                          | 104        |
| <b>Note 19.</b> Mine Development .....                                                                       | 106        |
| <b>Note 20.</b> Exploration and Evaluation Expenditure .....                                                 | 107        |
| <b>Note 21.</b> Intangible Assets .....                                                                      | 108        |
| <b>Note 22.</b> Trade and Other Payables .....                                                               | 109        |
| <b>Note 23.</b> Provisions .....                                                                             | 110        |
| <b>Note 24.</b> Employee Share Rights Plan .....                                                             | 111        |
| <b>OTHER NOTES</b> .....                                                                                     | <b>113</b> |
| <b>Note 25.</b> Key Management Personnel .....                                                               | 113        |
| <b>Note 26.</b> Auditors' Remuneration .....                                                                 | 114        |
| <b>Note 27.</b> Commitments and Contingencies .....                                                          | 115        |
| <b>Note 28.</b> Related Parties .....                                                                        | 116        |
| <b>Note 29.</b> Group Information .....                                                                      | 117        |
| <b>Note 30.</b> Events after the Balance Date .....                                                          | 118        |
| <b>Note 31.</b> New Accounting Standards and Interpretations .....                                           | 119        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### BASIS OF PREPARATION

#### NOTE 1. CORPORATE INFORMATION

The Consolidated Financial Report of the Group consisting of Paladin Energy Ltd (Paladin) and the entities it controlled at the end of, or during the year ended 30 June 2023 was authorised for issue by the Directors on 25 August 2023.

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. 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 10 to 25.

#### 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 Reporting

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.

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 unless otherwise stated in the notes to the financial statements. 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

The accounting policies adopted have been consistently applied to all the years presented, unless otherwise stated.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations effective from 1 July 2022.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions (refer Note 31).

### **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of Paladin Energy Ltd and its subsidiaries as at 30 June 2023 (the Group).

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

### **Foreign Currency Translation**

#### ***Functional and Presentation Currency***

Items included in the Financial Statements of each of the Group's entities are measured using United States Dollars (US Dollars), the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in 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 Consolidated Income Statement. Translation differences on available-for-sale financial assets are included in the available-for-sale reserve.

#### ***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 as follows:

- 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 Consolidated Income Statement year
- 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.

The functional currency of individual subsidiaries reflects their operating environment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is stated at the present value of the future net cash outflows expected to be incurred in respect of the contract.

### Fair value hierarchy

To provide an indication of the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### Material Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions 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:

- Assessment of carrying values of property, plant and equipment, mine development costs, exploration and evaluation expenditure and intangible assets associated with the Langer Heinrich Mine — Notes 18–21
- Estimated fair value of certain financial liabilities - Note 6
- Environmental rehabilitation provision – Note 23
- Useful lives of property, plant and equipment - Note 18
- Useful lives of mine development costs and intangible assets associated with the Langer Heinrich Mine — Notes 19 and 21

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events including climate change related matters that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Paladin recognises the increasing global impacts of climate change, however the financial impact, and any other impacts, of climate change on our operations is currently expected to be minimal.

## SEGMENT REPORTING

### NOTE 4. 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<sup>1</sup> 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 Exploration<sup>2</sup> 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 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 Langer Heinrich Mine (LHM) into care and maintenance and LHM stopped presenting ore to the plant. On 19 July 2022, Paladin announced the decision to return the Langer Heinrich Mine to production

2 In FY2023, the Company has only undertaken the work required to meet minimum tenement commitments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

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 years ended 30 June 2023 and 30 June 2022.

| Year ended<br>30 June 2023                                 | Exploration<br>US\$'000       | Namibia<br>US\$'000        | Australia<br>US\$'000       | Consolidated<br>US\$'000         |
|------------------------------------------------------------|-------------------------------|----------------------------|-----------------------------|----------------------------------|
| Revenue                                                    | —                             | —                          | —                           | —                                |
| <b>Total consolidated revenue</b>                          | <b>—</b>                      | <b>—</b>                   | <b>—</b>                    | <b>—</b>                         |
| Cost of sales                                              | —                             | —                          | —                           | —                                |
| <b>Gross profit</b>                                        | <b>—</b>                      | <b>—</b>                   | <b>—</b>                    | <b>—</b>                         |
| Other income                                               | —                             | 109                        | 4,587                       | 4,696                            |
| Other losses <sup>3</sup>                                  | (7)                           | (505)                      | —                           | (512)                            |
| Other expenses                                             | (441)                         | (9,406)                    | (7,617)                     | (17,464)                         |
| Foreign exchange gain (net) <sup>4</sup>                   |                               |                            |                             | 584                              |
| <b>Segment loss before income tax and finance costs</b>    | <b>448</b>                    | <b>(9,802)</b>             | <b>(3,030)</b>              | <b>(12,696)</b>                  |
| Finance costs                                              |                               | (6,813)                    | (7,549)                     | (14,362)                         |
| <b>Loss before income tax</b>                              | <b>(448)</b>                  | <b>(16,615)</b>            | <b>(10,579)</b>             | <b>(27,058)</b>                  |
| Income tax expense                                         | —                             | —                          | —                           | —                                |
| <b>Net loss after tax</b>                                  | <b>(448)</b>                  | <b>(16,615)</b>            | <b>(10,579)</b>             | <b>(27,058)</b>                  |
| <b>At 30 June 2023</b>                                     |                               |                            |                             |                                  |
| Segment assets/total assets                                | 95,631                        | 256,929                    | 120,487 <sup>5</sup>        | 473,047                          |
|                                                            | <b>Australia<br/>US\$'000</b> | <b>Canada<br/>US\$'000</b> | <b>Namibia<br/>US\$'000</b> | <b>Consolidated<br/>US\$'000</b> |
| Non-current assets (excluding financial assets) by country | 64,201                        | 32,460                     | 227,617                     | 324,278                          |
| <b>Additions to non-current assets by country</b>          |                               |                            |                             |                                  |
| Property, Plant and Equipment                              | 334                           | 13                         | 34,650                      | 34,997                           |
| Exploration and Evaluation Expenditure                     | 473                           | 1,470                      | —                           | 1,943                            |

<sup>3</sup> Relates to assets demolished as part of the Restart Project

<sup>4</sup> Individual segment results are managed before the impact of foreign exchange differences

<sup>5</sup> Includes US\$116,785,000 in cash and cash equivalents

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

| Year ended<br>30 June 2022                                 | Exploration<br>US\$'000       | Namibia<br>US\$'000        | Australia<br>US\$'000       | Consolidated<br>US\$'000         |
|------------------------------------------------------------|-------------------------------|----------------------------|-----------------------------|----------------------------------|
| Revenue                                                    | —                             | 4,700                      | —                           | 4,700                            |
| <b>Total consolidated revenue</b>                          | <b>—</b>                      | <b>4,700</b>               | <b>—</b>                    | <b>4,700</b>                     |
| Cost of sales                                              | —                             | (4,693)                    | —                           | (4,693)                          |
| Gross profit                                               | —                             | 7                          | —                           | 7                                |
| Other income                                               | —                             | 136                        | 875                         | 1,011                            |
| Other losses                                               | —                             | (2)                        | (10)                        | (12)                             |
| Other expenses                                             | —                             | (18,833)                   | (4,926)                     | (23,759)                         |
| Foreign exchange loss (net) <sup>6</sup>                   | —                             | —                          | —                           | 8,179                            |
| <b>Segment loss before income tax and finance costs</b>    | <b>—</b>                      | <b>(18,692)</b>            | <b>(4,061)</b>              | <b>(30,932)</b>                  |
| Finance costs                                              | —                             | (6,417)                    | (6,589)                     | (13,006)                         |
| <b>Loss before income tax</b>                              | <b>—</b>                      | <b>(25,109)</b>            | <b>(10,650)</b>             | <b>(43,938)</b>                  |
| Income tax expense                                         | —                             | —                          | (1)                         | (1)                              |
| <b>Net loss after tax</b>                                  | <b>—</b>                      | <b>(25,109)</b>            | <b>(10,651)</b>             | <b>(43,939)</b>                  |
| <b>At 30 June 2022</b>                                     |                               |                            |                             |                                  |
| Segment assets/total assets                                | 94,601                        | 203,651                    | 182,742 <sup>7</sup>        | 480,994                          |
|                                                            | <b>Australia<br/>US\$'000</b> | <b>Canada<br/>US\$'000</b> | <b>Namibia<br/>US\$'000</b> | <b>Consolidated<br/>US\$'000</b> |
| Non-current assets (excluding financial assets) by country | 64,299                        | 31,004                     | 196,178                     | 291,481                          |
| <b>Additions to non-current assets by country</b>          |                               |                            |                             |                                  |
| Property, Plant and Equipment                              | 44                            | —                          | 971                         | 1,015                            |
| Exploration and Evaluation Expenditure                     | 645                           | 502                        | 1,863                       | 3,010                            |

<sup>6</sup> Individual segment results are managed before the impact of foreign exchange differences

<sup>7</sup> Includes US\$176,514,000 in cash and cash equivalents.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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. Whilst the Group has US\$126.6M cash on hand at 30 June 2023, it is also exploring corporate debt facilities to provide additional liquidity and flexibility as it recommences operations at the LHM.

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.

#### NOTE 5A. CASH AND CASH EQUIVALENTS

|                                        | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------|------------------|------------------|
| Cash at bank and on hand               | 49,279           | 32,168           |
| Short-term bank deposits               | 77,357           | 144,898          |
| <b>Total cash and cash equivalents</b> | <b>126,636</b>   | <b>177,066</b>   |

#### NOTE 5B. RESTRICTED CASH

|                              | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------|------------------|------------------|
| Restricted cash at bank      | 1,014            | 1,000            |
| <b>Total restricted cash</b> | <b>1,014</b>     | <b>1,000</b>     |

The cash is restricted for use in respect of an environmental guarantee provided by Langer Heinrich Uranium (Pty) Ltd.

#### 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.

#### NOTE 6. INTEREST BEARING LOANS AND BORROWINGS

|                                                    | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------------------|------------------|------------------|
| <b>Non-Current</b>                                 |                  |                  |
| LHU's loans from CNNC                              | 89,708           | 78,558           |
| <b>Total Interest Bearing Loans and Borrowings</b> | <b>89,708</b>    | <b>78,558</b>    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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 fair value (net of transaction costs) and the redemption amount is recognised in the Consolidated Income Statement over the period of the borrowings using the effective interest method.

For the majority of any external borrowings, fair values are based on a discounted cash flow basis using quoted market prices (Level 1) or observable market data (Level 2) inputs in the fair value hierarchy.

The fair values of shareholder loans are based on discounted cash flows using a rate that the Company considers representative of a secured borrowing rate available in the market. These are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including Paladin's own credit risk.

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.

Details of the fair value of the Group's other interest-bearing liabilities are set out in Note 8.

### LHU's loans from CNNC

As part of the sale of the 25% interest in Langer Heinrich Mauritius Holdings Limited (LHMHL) in 2014 to CNNC Overseas 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. Subsequent to the sale in 2014 Paladin, PFPL and CNNC have provided further shareholder loans to LHU.

Under the Shareholders' Agreement between CNNC, PFPL and LHU, 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. These loans have not been guaranteed by Paladin. Interest on shareholder loans is also deferred until there are sufficient cash flows.

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 which included modifications to the term and interest rate of the loans. The revised terms of the shareholder loans reflected a mix of fixed and floating rate interest and interest free periods and considered that the LHM was in 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 face value of the loans remained the same.

These revisions were considered a "substantial" modification under AASB9 Financial Instruments, which required the original loan facilities to be "extinguished" and new loan facilities to be recognised at fair value. 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 was recognised in equity and will be unwound over the term of the loans through the effective interest rate. At 30 June 2023 US\$7,461,000 (2022 US\$6,516,000) accretion expense had been recognised on these loans.

In July 2021, PFPL and CNNC entered into further loan agreements to advance funds to LHU to fund care and maintenance and restart capital requirements. These loans were also recognized at fair value. After eliminations, the difference between the fair value and face value of these loans of US\$644,000 has also been recognised in equity and will be unwound over the term of the loans through the effective interest rate. At 30 June 2023 US\$40,000 (2022 US\$21,000) accretion expense had been recognised on these loans.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 7. CONTRIBUTED EQUITY AND RESERVES

#### Issued and Paid Up Capital

|                        | Number of Shares |               | 2023      | 2022      |
|------------------------|------------------|---------------|-----------|-----------|
|                        | 2023             | 2022          | US\$'000  | US\$'000  |
| <b>Ordinary shares</b> |                  |               |           |           |
| Issued and fully paid  | 2,980,146,447    | 2,977,779,002 | 2,646,644 | 2,645,778 |

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.

#### Movements in ordinary shares on issue

| Date                        |                     | Number of Shares     | Issue Price A\$ | Exchange Rate US\$: A\$ | Total US\$'000   |
|-----------------------------|---------------------|----------------------|-----------------|-------------------------|------------------|
| <b>Balance 30 June 2021</b> |                     | <b>2,677,756,397</b> |                 |                         | <b>2,489,082</b> |
| August 2021                 | SARs exercised      | 134,674              | —               | —                       | 12               |
| September 2021              | SARs exercised      | 95,078               | —               | —                       | 9                |
| September 2021              | SARs exercised      | 79,804               | —               | —                       | 4                |
| October 2021                | SARs exercised      | 174,019              | —               | —                       | 6                |
| November 2021               | SARs exercised      | 600,000              | —               | —                       | 51               |
| January 2022                | SARs exercised      | 101,015              | —               | —                       | 8                |
| March 2022                  | SARs exercised      | 226,903              | —               | —                       | 21               |
| April 2022                  | Institutional offer | 277,777,778          | 0.72            | 1.31636                 | 151,934          |
| May 2022                    | Share Purchase Plan | 20,833,334           | 0.72            | 1.41781                 | 10,580           |
|                             | Transaction costs   |                      |                 |                         | (5,929)          |
| <b>Balance 30 June 2022</b> |                     | <b>2,977,779,002</b> |                 |                         | <b>2,645,778</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

| Date                        |                | Number of<br>Shares  | Issue Price<br>A\$ | Exchange Rate<br>US\$: A\$ | Total<br>US\$'000 |
|-----------------------------|----------------|----------------------|--------------------|----------------------------|-------------------|
| <b>Balance 30 June 2022</b> |                | <b>2,977,779,002</b> |                    |                            | <b>2,645,778</b>  |
| September 2022              | PRs exercised  | 100,000              | —                  | —                          | 59                |
| September 2022              | PRs exercised  | 100,000              | —                  | —                          | 58                |
| September 2022              | SARs exercised | 100,000              | —                  | —                          | 9                 |
| October 2022                | PRs exercised  | 1,095,000            | —                  | —                          | 649               |
| October 2022                | SARs exercised | 196,828              | —                  | —                          | 13                |
| November 2022               | SARs exercised | 500,000              | —                  | —                          | 43                |
| December 2022               | SARs exercised | 100,000              | —                  | —                          | 16                |
| January 2023                | SARs exercised | 126,875              | —                  | —                          | 11                |
| April 2023                  | SARs exercised | 29,662               | —                  | —                          | 5                 |
| May 2023                    | SARs exercised | 19,080               | —                  | —                          | 3                 |
| <b>Balance 30 June 2023</b> |                | <b>2,980,146,447</b> |                    |                            | <b>2,646,644</b>  |

|                                                                                                           | Consolidation<br>reserve<br>US\$'000 | Listed option<br>application<br>reserve<br>US\$'000 | Share based<br>payment<br>reserve<br>US\$'000 | Foreign<br>currency<br>translation<br>reserve<br>US\$'000 | Financial<br>assets<br>at FVOCI<br>reserve<br>US\$'000 | Premium on<br>acquisition<br>reserve<br>US\$'000 | Total<br>US\$'000 |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|-------------------|
| <b>Reserves</b>                                                                                           |                                      |                                                     |                                               |                                                           |                                                        |                                                  |                   |
| <b>Balance at 30 June 2021</b>                                                                            | <b>48,319</b>                        | <b>137</b>                                          | <b>48,042</b>                                 | <b>(180,372)</b>                                          | <b>10,434</b>                                          | <b>14,086</b>                                    | <b>(59,354)</b>   |
| Share-based payments                                                                                      | —                                    | —                                                   | 1,885                                         | —                                                         | —                                                      | —                                                | 1,885             |
| Foreign currency translation                                                                              | —                                    | —                                                   | —                                             | (1,254)                                                   | —                                                      | —                                                | (1,254)           |
| Transfer of reserves on<br>deregistration of subsidiaries through<br>the income statement                 | —                                    | —                                                   | —                                             | (2,760)                                                   | —                                                      | —                                                | (2,760)           |
| Transfer of gain on disposal of equity<br>investments at fair value through<br>Other Comprehensive Income | —                                    | —                                                   | —                                             | —                                                         | (10,434) <sup>1</sup>                                  | —                                                | (10,434)          |
| <b>Balance at 30 June 2022</b>                                                                            | <b>48,319</b>                        | <b>137</b>                                          | <b>49,927</b>                                 | <b>(184,386)</b>                                          | <b>—</b>                                               | <b>14,086</b>                                    | <b>(71,917)</b>   |
| Share-based payments                                                                                      | —                                    | —                                                   | 3,226                                         | —                                                         | —                                                      | —                                                | 3,226             |
| Foreign currency translation                                                                              | —                                    | —                                                   | —                                             | (870)                                                     | —                                                      | —                                                | (870)             |
| Revaluation of financial assets                                                                           | —                                    | —                                                   | —                                             | —                                                         | (443)                                                  | —                                                | (443)             |
| <b>Balance at 30 June 2023</b>                                                                            | <b>48,319</b>                        | <b>137</b>                                          | <b>53,153</b>                                 | <b>(185,256)</b>                                          | <b>(443)</b>                                           | <b>14,086</b>                                    | <b>(70,004)</b>   |

<sup>1</sup> Relates to the sale of 90M Lotus Resources Ltd shares

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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 Resources Ltd.

### NOTE 8. 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 and manages funds on a group basis on a regular frequency.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

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

|                                  | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------|------------------|------------------|
| <b>Financial assets</b>          |                  |                  |
| Cash and cash equivalents        | 85,452           | 163,814          |
| Trade and other receivables      | 197              | 201              |
| Financial assets – held for sale | 1,590            | —                |
|                                  | <b>87,239</b>    | <b>164,015</b>   |
| <b>Financial liabilities</b>     |                  |                  |
| Trade and other payables         | (537)            | (363)            |
| <b>Net exposure</b>              | <b>86,702</b>    | <b>163,652</b>   |

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                             | IMPACT ON PROFIT/(LOSS) |          | IMPACT ON EQUITY |          |
|-----------------------------|-------------------------|----------|------------------|----------|
|                             | 2023                    | 2022     | 2023             | 2022     |
|                             | US\$'000                | US\$'000 | US\$'000         | US\$'000 |
| <b>Post-tax gain/(loss)</b> |                         |          |                  |          |
| AUD/USD +9% (2022: +9%)     | 6,002                   | 11,330   | 110              | —        |
| AUD/USD -9% (2022: -9%)     | (5,011)                 | (9,459)  | (92)             | —        |

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

|                              | 2023           | 2022       |
|------------------------------|----------------|------------|
|                              | US\$'000       | US\$'000   |
| <b>Financial assets</b>      |                |            |
| Cash and cash equivalents    | 1,988          | 332        |
| Trade and other receivables  | 2,345          | 139        |
|                              | <b>4,333</b>   | <b>471</b> |
| <b>Financial liabilities</b> |                |            |
| Trade and other payables     | (8,297)        | (265)      |
| <b>Net exposure</b>          | <b>(3,964)</b> | <b>206</b> |

The following table summarises the sensitivity of financial instruments held at balance sheet date to movements in the exchange rate of the Namibian dollar to the US dollar, with all other variables held constant. The 14% 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) |          |
|-----------------------------|-------------------------|----------|
|                             | 2023                    | 2022     |
|                             | US\$'000                | US\$'000 |
| <b>Post-tax gain/(loss)</b> |                         |          |
| NAD/USD +14% (2022: +17%)   | (403)                   | 26       |
| NAD/USD -14% (2022: -17%)   | 304                     | (18)     |

### 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, create opportunity losses on fixed rate borrowings in a falling interest rate environment or reduce interest income.

The interest rate risk on cash balances is not considered material. 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 2023

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 previous two years, certain shareholder loans were extended with revised conditions or entered into. Note 6 details the impact of these arrangements. All other financial assets and liabilities in the form of receivables, investments in shares, payables and provisions, are non-interest bearing.

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:

|                              | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------|------------------|------------------|
| <b>Financial assets</b>      |                  |                  |
| Cash and cash equivalents    | 126,636          | 177,066          |
| Restricted cash              | 1,014            | 1,000            |
|                              | <b>127,650</b>   | <b>178,066</b>   |
| <b>Financial liabilities</b> |                  |                  |
| Interest-bearing liabilities | (58,912)         | (52,732)         |
| <b>Net exposure</b>          | <b>68,738</b>    | <b>125,334</b>   |

### 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:

|                                  | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------|------------------|------------------|
| <b>Financial assets</b>          |                  |                  |
| Financial assets – held for sale | 1,590            | —                |

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                                   | IMPACT ON EQUITY |                  |
|-----------------------------------|------------------|------------------|
|                                   | 2023<br>US\$'000 | 2022<br>US\$'000 |
| <b>Post-tax gain/(loss)</b>       |                  |                  |
| Market price +25% (2022: +25%)    | 278              | —                |
| Market price -25% (2022: -25%)    | (278)            | —                |
| <b>Post-tax impact on reserve</b> |                  |                  |
| Market price +25% (2022: +25%)    | 278              | —                |
| Market price -25% (2022: -25%)    | (278)            | —                |

### 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 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 6 details the repayment obligations in respect of the amount of the shareholder loan facilities.

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

|                                   | PAYABLES MATURITY ANALYSIS |                     |                       |                       |                      |
|-----------------------------------|----------------------------|---------------------|-----------------------|-----------------------|----------------------|
|                                   | Total<br>US\$'000          | <1 year<br>US\$'000 | 1-2 years<br>US\$'000 | 2-3 years<br>US\$'000 | >3 years<br>US\$'000 |
| <b>2023</b>                       |                            |                     |                       |                       |                      |
| Trade and other payables          | 9,094                      | 9,094               | —                     | —                     | —                    |
| LHU's loans from CNNC — principal | 81,824                     | —                   | —                     | —                     | 81,824               |
| Interest payable on CNNC loans    | 31,331                     | —                   | —                     | —                     | 31,331               |
| <b>Total payables</b>             | <b>122,249</b>             | <b>9,094</b>        | <b>—</b>              | <b>—</b>              | <b>113,155</b>       |
| <b>2022</b>                       |                            |                     |                       |                       |                      |
| Trade and other payables          | 2,211                      | 2,211               | —                     | —                     | —                    |
| LHU's loans from CNNC — principal | 81,739                     | —                   | —                     | —                     | 81,739               |
| Interest payable on CNNC loans    | 27,766                     | —                   | —                     | —                     | 27,766               |
| <b>Total payables</b>             | <b>111,716</b>             | <b>2,211</b>        | <b>—</b>              | <b>—</b>              | <b>109,505</b>       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows from other receivables carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade receivables. 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.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9 the identified impairment loss is expected to be immaterial.

The maximum exposure to credit risk at the reporting date is set out below.

|                                              | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------------|------------------|------------------|
| <b>Current</b>                               |                  |                  |
| Cash and cash equivalents <sup>1</sup>       | 126,636          | 177,066          |
| Restricted cash <sup>2</sup>                 | 1,014            | 1,000            |
| Trade and other receivables – other entities | 445              | 4,989            |
|                                              | <b>128,095</b>   | <b>183,055</b>   |
| <b>Non-Current</b>                           |                  |                  |
| Trade and other receivables – other entities | 355              | 194              |
| <b>Total</b>                                 | <b>128,450</b>   | <b>183,249</b>   |

<sup>1</sup> The Group's maximum deposit with a single financial institution represents 52% (2022: 49%) of cash and cash equivalents. This financial institution has a credit rating of Aa3 (2022: Aa3).

<sup>2</sup> Restricted cash is held in Namibia, this financial institution has a credit rating of Ba2 (2022: Ba2).

|                          | Total<br>US\$'000 | <1 year<br>US\$'000 | 1-2 years<br>US\$'000 | 2-3 years<br>US\$'000 |
|--------------------------|-------------------|---------------------|-----------------------|-----------------------|
| <b>2023</b>              |                   |                     |                       |                       |
| Trade receivables        | 164               | —                   | 164                   | —                     |
| Other receivables        | 636               | 445                 | 191                   | —                     |
| <b>Total receivables</b> | <b>800</b>        | <b>445</b>          | <b>355</b>            | <b>—</b>              |
| <b>2022</b>              |                   |                     |                       |                       |
| Other receivables        | 5,183             | 4,989               | 194                   | —                     |
| <b>Total receivables</b> | <b>5,183</b>      | <b>4,989</b>        | <b>194</b>            | <b>—</b>              |

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

For Other Receivables, 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
- considers available reasonable and supportive forwarding-looking information in calculating the expected credit loss rates.

Where possible, the Group has applied an expected credit loss based on industry provided information.

### Fair Values

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 2023 |           |           |              | Year ended 30 June 2022 |           |              |              |
|-------------------------------------------------------------|-------------------------|-----------|-----------|--------------|-------------------------|-----------|--------------|--------------|
|                                                             | (Level 1)               | (Level 2) | (Level 3) | Total        | (Level 1)               | (Level 2) | (Level 3)    | Total        |
|                                                             | US\$'000                | US\$'000  | US\$'000  | US\$'000     | US\$'000                | US\$'000  | US\$'000     | US\$'000     |
| <b>Financial assets for which fair values are disclosed</b> |                         |           |           |              |                         |           |              |              |
| Australia listed shares                                     | 1,590                   | —         | —         | 1,590        | —                       | —         | —            | —            |
| Share receivables                                           | —                       | —         | —         | —            | —                       | —         | 1,926        | 1,926        |
| Cash receivables                                            | —                       | —         | —         | —            | —                       | —         | 2,796        | 2,796        |
| <b>Total financial assets</b>                               | <b>1,590</b>            | <b>—</b>  | <b>—</b>  | <b>1,590</b> | <b>—</b>                | <b>—</b>  | <b>4,722</b> | <b>4,722</b> |

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 which are classified as Level 1 inputs.

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 (Level 2) and unobservable (Level 3) 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.

Due to the short-term nature of some of the non-current other receivables, their carrying amount is considered to be the same as their fair value.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                                                             | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------------------------------------------|------------------|------------------|
| Debt (face value plus accrued interest) <sup>1</sup>        | —                | —                |
| Less cash and cash equivalents                              | (126,636)        | (177,066)        |
| <b>Net Debt</b>                                             | <b>(126,636)</b> | <b>(177,066)</b> |
| Total equity                                                | 335,084          | 358,412          |
| <b>Total Capital</b>                                        | <b>208,448</b>   | <b>181,346</b>   |
| <b>Gearing Ratio</b><br>(defined as net debt/total capital) | <b>0%</b>        | <b>0%</b>        |

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

## PERFORMANCE FOR THE YEAR

### NOTE 9. REVENUE

|                 | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-----------------|------------------|------------------|
| Sale of uranium | —                | 4,700            |
| <b>Total</b>    | <b>—</b>         | <b>4,700</b>     |

During FY2022 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 Restart Project at the Langer Heinrich Mine means 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 10. INCOME AND EXPENSES

|                                                           | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-----------------------------------------------------------|------------------|------------------|
| <b>Cost of Sales</b>                                      |                  |                  |
| Inventory purchased                                       | —                | (4,693)          |
| <b>Total</b>                                              | <b>—</b>         | <b>(4,693)</b>   |
| Other income                                              |                  |                  |
| Interest income                                           | 4,535            | 852              |
| Sundry income                                             | 161              | 159              |
|                                                           | <b>4,696</b>     | <b>1,011</b>     |
| <b>Other losses</b>                                       |                  |                  |
| Net loss on disposal of property, plant and equipment     | <b>(512)</b>     | <b>(12)</b>      |
| Foreign exchange gain/(loss) (net)                        | <b>584</b>       | <b>(8,179)</b>   |
| <b>Administration, Marketing and Non-Production Costs</b> |                  |                  |
| Corporate and marketing                                   | (3,353)          | (2,694)          |
| Corporate restructure costs                               | —                | (29)             |
| LHM mine site                                             | (6,669)          | (3,727)          |
| LHM depreciation                                          | (2,738)          | (15,106)         |
| Share based payments                                      | (4,092)          | (1,997)          |
| Other                                                     | (612)            | (206)            |
| <b>Total</b>                                              | <b>(17,464)</b>  | <b>(23,759)</b>  |
| <b>Finance Costs</b>                                      |                  |                  |
| LHU's loans from CNNC                                     | (3,564)          | (3,111)          |
| Accretion expense on shareholder loans                    | (7,501)          | (6,537)          |
| Mine closure provision accretion expense                  | (3,249)          | (3,306)          |
| Lease interest expense                                    | (48)             | (52)             |
| <b>Total</b>                                              | <b>(14,362)</b>  | <b>(13,006)</b>  |
| Total depreciation and amortisation expense               | (2,909)          | (15,310)         |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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.

|                                     | 2023           | 2022           |
|-------------------------------------|----------------|----------------|
| Employee Benefits Expense           | US\$'000       | US\$'000       |
| Wages and salaries                  | (2,829)        | (2,612)        |
| Defined contribution superannuation | (313)          | (318)          |
| Share-based payments                | (4,092)        | (1,997)        |
| Other employee benefits             | (1,244)        | (496)          |
| <b>Total</b>                        | <b>(8,480)</b> | <b>(5,423)</b> |

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.

### NOTE 11. INCOME AND OTHER TAXES

|                                                                                     | 2023     | 2022     |
|-------------------------------------------------------------------------------------|----------|----------|
|                                                                                     | US\$'000 | US\$'000 |
| <b>Income Tax Expense</b>                                                           |          |          |
| <i>Current income tax</i>                                                           |          |          |
| Current income tax expense                                                          | —        | 1        |
| Income tax expense reported in the Consolidated Income Statement                    | —        | 1        |
| <b>Amounts Charged or Credited Directly to Equity</b>                               |          |          |
| <i>Deferred income tax related to items charged or credited directly to equity:</i> |          |          |
| Capital gain on sale of investments for sale                                        | 373      | —        |
| Fair value adjustment to CNNC Loans                                                 | —        | (193)    |
| Capital gains applied                                                               | (373)    | —        |
| Tax losses recognised to offset fair value adjustment                               | —        | 193      |
| Income tax benefit reported in equity                                               | —        | —        |
| <b>Numerical Reconciliation of Income Tax Benefit to Prima Facie Tax Payable</b>    |          |          |
| Loss before income tax expense from continuing operations                           | (27,058) | (43,938) |
| Tax at the Australian tax rate of 30% (2022 – 30%)                                  | (8,117)  | (13,182) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                                                                               | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------------------------------------------------------------|------------------|------------------|
| Difference in overseas tax rates                                              | (4,917)          | (1,223)          |
| Non-deductible items                                                          | 989              | 730              |
| Under/over prior year adjustment                                              | —                | —                |
| Previously unrecognised tax losses now recouped to reduce current tax expense | (3,137)          | —                |
| Deferred tax assets on losses not recognised                                  | 15,182           | 13,676           |
| <b>Income tax expense reported in the Consolidated Income Statement</b>       | <b>—</b>         | <b>1</b>         |

|                                                                                                                  | 2023<br>US\$'000   | 2022<br>US\$'000   |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Tax Losses</b>                                                                                                |                    |                    |
| Australian unused tax losses and capital losses for which no deferred tax asset has been recognised <sup>1</sup> | (707,638)          | (741,735)          |
| Other unused tax losses for which no deferred tax asset has been recognised <sup>2</sup>                         | (364,508)          | (373,531)          |
| <b>Total unused tax losses for which no deferred tax asset has been recognised</b>                               | <b>(1,072,146)</b> | <b>(1,115,266)</b> |

The gross value of unused capital losses for which no deferred tax asset has been recognised are US\$652.0M (2022: US\$660.4M). These unrecognised capital losses were predominantly generated from the sale of Paladin (Africa) Ltd. The benefit of these unused capital losses will only be obtained if sufficient future capital gains are made and the losses remain available under tax legislation.

### Deferred Income Tax

#### Deferred tax liabilities

|                                                   |                  |                 |
|---------------------------------------------------|------------------|-----------------|
| Accelerated prepayment deduction for tax purposes | (26)             | (297)           |
| Accelerated depreciation for tax purposes         | (59,949)         | (65,977)        |
| Exploration expenditure                           | (3,719)          | (3,578)         |
| Inventory / Consumables                           | (2,939)          | (3,144)         |
| Other                                             | (81,883)         | (4,006)         |
| <b>Gross deferred tax liabilities</b>             | <b>(148,516)</b> | <b>(77,002)</b> |
| Set off of deferred tax assets                    | 148,516          | 77,002          |
| <b>Net deferred tax liabilities</b>               | <b>—</b>         | <b>—</b>        |

#### Deferred tax assets

|                                                                   |         |         |
|-------------------------------------------------------------------|---------|---------|
| Revenue losses available for offset against future taxable income | 170,989 | 163,427 |
| Foreign currency balances                                         | 116,868 | 48,487  |
| Interest bearing liabilities                                      | 12,491  | 33,600  |

<sup>1</sup> Including tax losses transferred from Summit Resources Limited on consolidation.

<sup>2</sup> Excluding tax losses from discontinued operation

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                                                               | 2023<br>US\$'000 | 2022<br>US\$'000 |
|---------------------------------------------------------------|------------------|------------------|
| <b>Tax Losses</b>                                             |                  |                  |
| Provisions                                                    | 8,224            | 7,443            |
| Other                                                         | 4,085            | 3,118            |
| Australian Group deferred tax asset on carried forward losses | (3,137)          | —                |
| Deferred tax assets not recognised                            | (161,004)        | (179,073)        |
| <b>Gross deferred tax assets</b>                              | 148,516          | 77,002           |
| Set off against deferred tax liabilities                      | (148,516)        | (77,002)         |
| <b>Net deferred tax assets recognised</b>                     | —                | —                |

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 other comprehensive income or equity is recognised in other comprehensive income or equity respectively 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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 12. EARNINGS PER SHARE

|                                                                                                 | 2023<br>US cents | 2022<br>US cents |
|-------------------------------------------------------------------------------------------------|------------------|------------------|
| Loss per share attributable to ordinary equity holders of the Parent from continuing operations | (0.4)            | (1.0)            |

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

|                                                                                           | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------------------------------------------------------------------------|------------------|------------------|
| Net loss attributable to ordinary equity holders of the Parent from continuing operations | (10,572)         | (26,743)         |

|                                                                                                                                                                                                      | 2023<br>Number of Shares | 2022<br>Number of Shares |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Weighted average number of ordinary shares used in calculation of basic earnings per share                                                                                                           | 2,979,391,490            | 2,747,439,635            |
| Weighted average number of ordinary shares used in calculation for diluted earnings per share                                                                                                        | 2,996,683,791            | 2,759,963,496            |
| 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 | 17,292,302               | 12,523,861               |

#### 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 2023 and 2022 as the number of potentially dilutive shares does not change the result of earnings per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 13. RECONCILIATION OF EARNINGS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

|                                                                                            | 2023<br>US\$'000 | 2022<br>US\$'000 |
|--------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Reconciliation of Net Loss After Tax to Net Cash Flows Used in Operating Activities</b> |                  |                  |
| Net loss                                                                                   | (27,058)         | (43,939)         |
| <i>Adjustments for</i>                                                                     |                  |                  |
| Depreciation and amortisation                                                              | 2,909            | 15,310           |
| Exploration Expenditure                                                                    | 441              | —                |
| Sundry income                                                                              | (421)            | (642)            |
| Loss on disposal of property, plant and equipment                                          | 512              | 12               |
| Net exchange differences                                                                   | (580)            | 8,206            |
| Share-based payments                                                                       | 4,092            | 1,997            |
| Non-cash financing costs                                                                   | 6,862            | 6,470            |
| Accretion expense on shareholder loan                                                      | 7,501            | 6,537            |
| <i>Changes in operating assets and liabilities</i>                                         |                  |                  |
| (Increase) in prepayments                                                                  | (977)            | (4)              |
| (Increase) in trade and other receivables                                                  | (2,507)          | (55)             |
| (Increase)/Decrease in inventories                                                         | (546)            | 23               |
| Increase/(Decrease) in trade and other payables                                            | 413              | (641)            |
| (Decrease) in provisions                                                                   | (16)             | (68)             |
| <b>Net cash flows used in operating activities</b>                                         | <b>(9,375)</b>   | <b>(6,794)</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### OPERATING ASSETS AND LIABILITIES

#### NOTE 14. TRADE AND OTHER RECEIVABLES

|                                         | Notes | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-----------------------------------------|-------|------------------|------------------|
| <b>Current</b>                          |       |                  |                  |
| Trade receivables and other receivables | A     | 445              | 4,989            |
| GST and VAT                             | B     | 2,311            | 95               |
| <b>Total current receivables</b>        |       | <b>2,756</b>     | <b>5,084</b>     |
| <b>Non-Current</b>                      |       |                  |                  |
| Trade receivables and other receivables | A     | 355              | —                |
| Long term deposits                      | C     | —                | 194              |
| <b>Total non-current receivables</b>    |       | <b>355</b>       | <b>194</b>       |

- 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.

Included in FY2022, receivables from the sale of Paladin (Africa) Limited were:

- A\$3M shares in Lotus Resources Ltd issued 13 March 2023;
- US\$3M repayment of the environmental performance bond paid 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 8.

- B. GST and VAT receivables relates to amounts due from Governments in Australia, Namibia and Canada.
- C. Long term deposits relates 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

The Group assesses on a forward-looking basis the expected credit loss associated with its financial 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 15. PREPAYMENTS

|                          | 2023<br>US\$'000 | 2022<br>US\$'000 |
|--------------------------|------------------|------------------|
| <b>Current</b>           |                  |                  |
| Advance payments         | 9,027            | —                |
| Prepayments              | 2,100            | 1,263            |
| <b>Total prepayments</b> | <b>11,127</b>    | <b>1,263</b>     |

Advance payments reflect payments made to suppliers in relation to the LHM Restart Project. These payments are taken to Capital Work in Progress when services have been provided.

### NOTE 16. INVENTORIES

|                                                                                | 2023<br>US\$'000 | 2022<br>US\$'000 |
|--------------------------------------------------------------------------------|------------------|------------------|
| <b>Current</b>                                                                 |                  |                  |
| Stores and consumables (at cost)                                               | 5,646            | 5,100            |
| <b>Total current inventories at the lower of cost and net realisable value</b> | <b>5,646</b>     | <b>5,100</b>     |

#### Inventory Expense

Uranium inventories purchased for subsequent sale by the Group during the year ended 30 June 2023 were recognised as an expense totalling US\$Nil (2022: US\$4,692,500).

#### Write-down of Inventories

During 2023 stores and consumables held at LHM were written down by US\$32,588 (2022: US\$5,411) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

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.

During 2016, the carrying value of ore stockpiles held at LHM was reduced to net realisable value resulting in an impairment loss of US\$168.9M (2015: US\$Nil) for the year, recognised in other expenses. Subsequent to 30 June 2016 some of the stockpile was processed leaving a residual of 6.3M tonnes. The net realisable value of the ore stockpiles is dependent on a number of key factors including: uranium price, future processing costs, grade and recovery rates. As at 30 June 2023 the LHM Restart Project is still underway. The Company is assessing the timing of the reversal of the impairment and the net realisable value of the inventory.

### NOTE 17. FINANCIAL ASSETS – HELD FOR SALE

|                          | 2023     | 2022     |
|--------------------------|----------|----------|
|                          | US\$'000 | US\$'000 |
| Current financial assets | 1,590    | —        |

The Group has an investment in Lotus Resources Limited at 30 June 2023 of 12,987,000 shares (2022: Nil) issued at A\$0.23 per share as part of the final consideration in relation to the sale of Paladin (Africa) Ltd to Lotus Resources Ltd. At 30 June 2023 the market value of these shares is US\$1.5M (A\$2.4M) (2022: US\$Nil: A\$Nil) based on a share price of \$A0.185 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 the Consolidated Income Statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the Consolidated Income Statement 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 Consolidated Income Statement 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 18. PROPERTY, PLANT AND EQUIPMENT

|                                       | Total<br>US\$'000 | Plant and Equipment<br>US\$'000 | Land and Buildings<br>US\$'000 | Construction Work<br>in Progress<br>US\$'000 |
|---------------------------------------|-------------------|---------------------------------|--------------------------------|----------------------------------------------|
| <b>2023</b>                           |                   |                                 |                                |                                              |
| <b>Net carrying value</b>             |                   |                                 |                                |                                              |
| At 1 July 2022                        | 166,274           | 160,634                         | 4,044                          | 1,596                                        |
| Additions                             | 34,997            | 303                             | 44                             | 34,650                                       |
| Depreciation and amortisation expense | (2,768)           | (2,738)                         | (30)                           | —                                            |
| Reclassification                      | —                 | 603                             | —                              | (603)                                        |
| Disposals                             | (571)             | (266)                           | (305)                          | —                                            |
| Foreign currency translation          | (4)               | (4)                             | —                              | —                                            |
| <b>At 30 June 2023</b>                | <b>197,928</b>    | <b>158,532</b>                  | <b>3,753</b>                   | <b>35,643</b>                                |
| Cost                                  | 384,866           | 339,813                         | 9,410                          | 35,643                                       |
| Accumulated depreciation              | (186,938)         | (181,281)                       | (5,657)                        | —                                            |
| <b>2022</b>                           |                   |                                 |                                |                                              |
| <b>Net carrying value</b>             |                   |                                 |                                |                                              |
| At 1 July 2021                        | 178,089           | 172,925                         | 4,408                          | 756                                          |
| Additions                             | 1,015             | 175                             | —                              | 840                                          |
| Depreciation and amortisation expense | (12,812)          | (12,448)                        | (364)                          | —                                            |
| Disposals                             | (12)              | (12)                            | —                              | —                                            |
| Foreign currency translation          | (6)               | (6)                             | —                              | —                                            |
| <b>At 30 June 2022</b>                | <b>166,274</b>    | <b>160,634</b>                  | <b>4,044</b>                   | <b>1,596</b>                                 |
| Cost                                  | 362,863           | 351,407                         | 9,860                          | 1,596                                        |
| Accumulated depreciation              | (196,589)         | (190,773)                       | (5,816)                        | —                                            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### Property, Plant and Equipment Pledged as Security for Liabilities

No property, plant and equipment has been 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 Consolidated 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

#### *Change in Accounting Estimate*

As a result of the decision to return the LHM to production, there has been a change in the basis for depreciating the LHM Plant. Whilst the LHM was in Care and Maintenance, relevant tangible non-current assets were depreciated using the Straight Line method. From 1 July 2022, the basis of depreciation has changed prospectively to the units of production method over the remaining useful life of the assets resulting in a nil depreciation charge for those assets for the period. This has resulted in a reduction in depreciation charges of US\$9,722,000 for the period.

#### *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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 19. MINE DEVELOPMENT

|                                                                                  | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------------------------------------------------|------------------|------------------|
| Mine development – at cost                                                       | 70,180           | 63,091           |
| Less accumulated depreciation and impairment                                     | (48,116)         | (48,116)         |
| Net carrying value – mine development                                            | <b>22,064</b>    | <b>14,975</b>    |
| <b>Net carrying value at start of year</b>                                       | 14,975           | 16,748           |
| Depreciation and amortisation expense                                            | —                | (1,773)          |
| Transfer from Exploration & Evaluation assets on commencement of Restart Project | 7,089            | —                |
| <b>Net carrying value at end of year</b>                                         | <b>22,064</b>    | <b>14,975</b>    |

#### 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

##### *Change in Accounting Estimate*

As a result of the decision to return the LHM to production, there has been a change in the basis for depreciating the LHM Plant. Whilst the LHM was in Care and Maintenance, relevant tangible non-current assets were depreciated using the Straight Line method. From 1 July 2022, the basis of depreciation has changed prospectively to the units of production method over the remaining useful life of the assets resulting in a nil depreciation charge for those assets for the period. This has resulted in a reduction in depreciation charges of US\$1,773,000 for the period.

##### *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 2023

### NOTE 20. 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 2023:

| Areas of interest                                 | Valhalla/<br>Skal<br>US\$'000 | Isa North<br>US\$'000 | Carley Bore<br>US\$'000 | Canada<br>US\$'000 | Manyingee<br>US\$'000 | Fusion<br>US\$'000 | LHM<br>US\$'000 | Total<br>US\$'000 |
|---------------------------------------------------|-------------------------------|-----------------------|-------------------------|--------------------|-----------------------|--------------------|-----------------|-------------------|
| <b>Balance 1 July 2021</b>                        | <b>39,520</b>                 | <b>7,802</b>          | <b>7,917</b>            | <b>31,340</b>      | <b>7,524</b>          | <b>228</b>         | <b>5,226</b>    | <b>99,557</b>     |
| Expenditure capitalised                           | 116                           | 280                   | 48                      | 502                | 112                   | 89                 | 1,863           | 3,010             |
| Foreign exchange differences                      | —                             | —                     | —                       | (1,240)            | —                     | —                  | —               | (1,240)           |
| <b>Balance 30 June 2022</b>                       | <b>39,636</b>                 | <b>8,082</b>          | <b>7,965</b>            | <b>30,602</b>      | <b>7,636</b>          | <b>317</b>         | <b>7,089</b>    | <b>101,327</b>    |
| Expenditure capitalised                           | 99                            | 187                   | 32                      | 1,470              | 81                    | 74                 | —               | 1,943             |
| Expenditure transferred to Mine Development costs |                               |                       |                         |                    |                       |                    | (7,089)         | (7,089)           |
| Foreign exchange differences                      | —                             | —                     | —                       | (860)              | —                     | —                  | —               | (860)             |
| <b>Balance 30 June 2023</b>                       | <b>39,735</b>                 | <b>8,269</b>          | <b>7,997</b>            | <b>31,212</b>      | <b>7,717</b>          | <b>391</b>         | <b>—</b>        | <b>95,321</b>     |

#### 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 2022, 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 2023

### NOTE 21. INTANGIBLE ASSETS

|                                               | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-----------------------------------------------|------------------|------------------|
| <b>At 30 June</b>                             |                  |                  |
| Intangible assets – at cost                   | 17,803           | 17,803           |
| Less accumulated depreciation and impairment  | (10,010)         | (10,010)         |
| <b>Net carrying value – intangible assets</b> | <b>7,793</b>     | <b>7,793</b>     |

No amortisation for the year ended 30 June 2023 (2022: US\$519,000) is included in non-production costs in the Consolidated Income Statement as a result of the decision to restart the LHM.

#### Movements in Intangible Assets

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

|                                           | Right to Supply of<br>Power<br>US\$'000 | Right to Supply of<br>Water<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------------------|-----------------------------------------|-----------------------------------------|-------------------|
| <b>2023</b>                               |                                         |                                         |                   |
| Net carrying value at 1 July 2022         | 2,183                                   | 5,610                                   | 7,793             |
| Amortisation expense                      | —                                       | —                                       | —                 |
| <b>Net carrying value at 30 June 2023</b> | <b>2,183</b>                            | <b>5,610</b>                            | <b>7,793</b>      |
| <b>2022</b>                               |                                         |                                         |                   |
| Net carrying value at 1 July 2021         | 2,328                                   | 5,984                                   | 8,312             |
| Amortisation expense                      | (145)                                   | (374)                                   | (519)             |
| <b>Net carrying value at 30 June 2022</b> | <b>2,183</b>                            | <b>5,610</b>                            | <b>7,793</b>      |

#### 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 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 2023

### 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 Consolidated 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.                                                           |

### Significant Judgements, Estimates and Assumptions

#### *Change in Accounting Estimate*

As a result of the decision to return the LHM to production, there has been a change in the basis for depreciating the LHM Plant. Whilst the LHM was in Care and Maintenance, relevant tangible non-current assets were depreciated using the Straight Line method. From 1 July 2022, the basis of depreciation has changed prospectively to the units of production method over the remaining useful life of the assets resulting in a US\$Nil depreciation charge for those assets for the period. This has resulted in a reduction in amortisation charges of US\$519,000 for the period.

## NOTE 22. TRADE AND OTHER PAYABLES

|                               | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------------|------------------|------------------|
| <b>Current</b>                |                  |                  |
| Trade and other payables      | 9,094            | 2,211            |
| <b>Total current payables</b> | <b>9,094</b>     | <b>2,211</b>     |

Trade payables are unsecured, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 23. PROVISIONS

|                                        | 2023<br>US\$'000 | 2022<br>US\$'000 |
|----------------------------------------|------------------|------------------|
| <b>Current</b>                         |                  |                  |
| Employee benefits                      | 331              | 335              |
| <b>Total current provisions</b>        | <b>331</b>       | <b>335</b>       |
| <b>Non-Current</b>                     |                  |                  |
| Employee benefits                      | 124              | 136              |
| Environmental rehabilitation provision | 37,925           | 40,407           |
| <b>Total non-current provisions</b>    | <b>38,049</b>    | <b>40,543</b>    |

#### Movements in Provisions

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

|                                                                       | Environmental Rehabilitation<br>US\$'000 |
|-----------------------------------------------------------------------|------------------------------------------|
| At 1 July 2022                                                        | 40,407                                   |
| Change in cost estimates                                              | 3,091                                    |
| Impact of changes to discount and inflation rates                     | 2,883                                    |
| Unwinding of discount rate                                            | 3,249                                    |
| Impact of discounting on changes to cost estimates and timing changes | (5,974)                                  |
| Foreign currency movements                                            | (5,731)                                  |
| <b>At 30 June 2023</b>                                                | <b>37,925</b>                            |

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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.

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 Consolidated 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.

### NOTE 24. EMPLOYEE SHARE RIGHTS PLAN

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 Rights Plans terms were amended and approved by shareholders at the 2020 Annual General Meeting (2020 Employee Share Rights Plan).

The Rights Plan are the mechanism under which Employees have been awarded:

- Performance Rights (PRs)
- Long Term Incentive Plan Performance Rights (LTIP)
- Share Appreciation Rights (SARs), (previous incentive grant – no longer utilised for new incentive grants)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### (a) Description of share based payment arrangements

#### (i.) Performance Rights

Performance Rights (PRs) were issued to Executives appointed in FY2022 and FY2023 at the commencement of their employment. These PRs were provided as a mechanism to attract and retain Executives in the current market. These PRs have a two-year vesting period and are contingent on continued employment with the Company.

PRs were also issued to employees in FY2022 and FY2023 as a mechanism to attract and retain employees in the current market. These PRs have a 12 month and 24 month vesting period and are contingent on continued employment with the Company.

#### (ii.) Long-Term Incentive Plan (LTIP)

The LTI is an 'at-risk' component of the remuneration intended to align the interests of Executive KMP with long-term shareholder returns. It is an equity-based award designed to attract, motivate and retain employees. The PRs issued as part of the LTIP vest over a three year period. Performance measures include both a component related to a service period and a component related to Total Shareholder Return (rTSR) as it aligns participants' remuneration with the return received by shareholders and reflects creation of shareholder value compared to peers.

#### (iii.) Share Appreciation Rights (SARs)

Paladin has historically granted SARs to employees including Executives under the Rights Plan. The SARs carry no dividend or voting rights. When exercisable, each SAR is convertible into one ordinary share of Paladin Energy Ltd. The exercise price of SARs is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the five business days up to and including the date of grant.

### (b) Recognition and Measurement

The fair value at grant date of SARs and PRs is charged to the Consolidated Income Statement, net of tax, over the period for which the benefits of employee services are expected to be derived. The corresponding accrued employee entitlement is recorded in the share based payments reserve.

Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognised is proportionally reversed. If awards do not vest due to a market performance condition not being met, the expense is recognised in full, and the share awards reserve is released to retained earnings.

The fair value of SARs is measured using a Black Scholes methodology. This model considers the following:

- Expected life of the award;
- Current market price of the underlying shares;
- Expected volatility;
- Expected dividends; and
- Risk-free interest rate

The PRs subject to non-market conditions have been valued with reference to the Paladin share price on grant date.

The PRs subject to rTSR conditions have been independently valued using a hybrid employee share option pricing model which uses a correlated simulation that simultaneously calculates the returns from the Company's and the individual peer group companies' rTSR (for Peer Groups 1 and 2) on a risk-neutral basis as at the vesting date with regards to the remaining performance measurement period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### (c) Reconciliation of employee share rights

| Share Rights              | Rights at the beginning of the year | Granted during the period | Exercised during the period | Forfeited during the period | Lapsed during the period | Rights at the end of the year |
|---------------------------|-------------------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------|-------------------------------|
| Performance Rights        | 3,540,000                           | 2,870,000                 | (1,295,000)                 | (380,000)                   | —                        | 4,735,000                     |
| LTIP Performance Rights   | 5,660,640                           | 5,310,021                 | —                           | (798,334)                   | —                        | 10,172,327                    |
| Share Appreciation Rights | 4,050,250                           | —                         | (1,171,750)                 | —                           | —                        | 2,878,500                     |
| <b>Total</b>              | <b>13,250,890</b>                   | <b>8,180,021</b>          | <b>(2,466,750)</b>          | <b>(1,178,334)</b>          | <b>—</b>                 | <b>17,785,827</b>             |

The weighted average share price of PRs exercised during the year was US\$0.59 (A\$0.78) and for the SARS was US\$0.52 (A\$0.79).

### (d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

|                                          | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------------------|------------------|------------------|
| Performance Rights                       | 2,039            | 1,151            |
| LTIP — Performance Rights                | 2,039            | 765              |
| Share Appreciation Rights                | 14               | 81               |
| <b>Total share based payment expense</b> | <b>4,092</b>     | <b>1,997</b>     |

## OTHER NOTES

### NOTE 25. KEY MANAGEMENT PERSONNEL

#### Details of Key Management Personnel

#### 1 Directors

|                       |                                                    |
|-----------------------|----------------------------------------------------|
| Mr Cliff Lawrenson    | Chair (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)                           |
| Dr Jon Hronsky        | Director (Non-Executive) (appointed 20 March 2023) |
| Mrs Lesley Adams      | Director (Non-Executive) (appointed 22 May 2023)   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 2 Executives

|                      |                                                                        |
|----------------------|------------------------------------------------------------------------|
| Mr Ian Purdy         | Chief Executive Officer                                                |
| Ms Anna Sudlow       | Chief Financial Officer                                                |
| Mr Paul Hemburrow    | Chief Operating Officer (appointed 1 February 2023)                    |
| Mr Jonathon Clements | Senior Vice President - Projects & Development (resigned 31 July 2022) |
| Mr Jess Oram         | General Manager Exploration                                            |
| Mr Alex Rybak        | Chief Commercial Officer                                               |

### Compensation of Key Management Personnel: Compensation by Category

|                              | 2023             | 2022             |
|------------------------------|------------------|------------------|
|                              | US\$             | US\$             |
| Short-term employee benefits | 1,581,346        | 1,722,083        |
| Post-employment benefits     | 140,480          | 113,444          |
| Share-based payments         | 1,785,237        | 892,181          |
|                              | <b>3,507,063</b> | <b>2,727,708</b> |

In addition to the compensation above Dr Jon Hronsky provides professional consulting services to Paladi Energy Ltd. Since his appointment as a director, consulting fees amounting to US\$8,843 (A\$13,340) have been paid on an arms-length and commercial basis and were approved by the Board.

### NOTE 26. AUDITOR'S REMUNERATION

The auditor of the Paladin Energy Ltd Group is PricewaterhouseCoopers.

|                                                                                          | 2023           | 2022           |
|------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                          | US\$           | US\$           |
| <i>Amounts received or due and receivable by PricewaterhouseCoopers (Australia) for:</i> |                |                |
| Audit or review of the financial report of the consolidated Group                        | 115,996        | 128,598        |
| Other services                                                                           | —              | —              |
| Taxation services:                                                                       |                |                |
| Tax compliance services                                                                  | 63,639         | 38,342         |
| International tax consulting                                                             | 5,459          | —              |
| Other tax advice                                                                         | 1,637          | —              |
| <b>Sub-total</b>                                                                         | <b>186,731</b> | <b>166,940</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

|                                                                                                               | 2023<br>US\$   | 2022<br>US\$   |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <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                            | 32,596         | 28,886         |
| Other services                                                                                                | 13,058         | 162            |
| Taxation services:                                                                                            |                |                |
| Tax compliance services                                                                                       | 398            | 1,747          |
| International tax consulting                                                                                  | —              | 264            |
| <b>Sub-total</b>                                                                                              | <b>46,052</b>  | <b>31,059</b>  |
| <b>Total</b>                                                                                                  | <b>232,783</b> | <b>197,999</b> |

### NOTE 27. 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 2023 other than:

|                                                                                                            | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Tenements</b>                                                                                           |                  |                  |
| Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable: |                  |                  |
| Within one year                                                                                            | 377              | 41               |
| Later than one year but not later than 5 years                                                             | 3,389            | 3,671            |
| More than 5 years                                                                                          | 433              | 90               |
| <b>Total tenements commitment</b>                                                                          | <b>4,199</b>     | <b>3,802</b>     |

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.

In relation to the Manyingee Project, the re-negotiated acquisition terms provide for a payment of A\$750,000 (US\$496,393) (2022: A\$750,000 (US\$516,657)) by the Group to the vendors when all project development approvals are obtained.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### 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:

|                                                | 2023          | 2022         |
|------------------------------------------------|---------------|--------------|
|                                                | US\$'000      | US\$'000     |
| Within one year                                | 52,477        | 444          |
| Later than one year but not later than 5 years | 703           | 791          |
| More than 5 years                              | 376           | 517          |
| <b>Total other commitments</b>                 | <b>53,556</b> | <b>1,752</b> |

### Future sales commitments

At 30 June 2023 Paladin has contracted 48% of estimated production to CY2030. The contracted sales portfolio consists of short and long-term sales commitments. The contracts can be executed well in advance of a delivery and include base escalated and market-related pricing. Total revenue from these contracts cannot be reliably estimated as the transaction price will not be known until the time of delivery.

The sales contracts are denominated in US dollars.

### Contingent liabilities

There are certain legal claims or potential claims against the Group, the outcome of which cannot be foreseen at present, and for which no amounts have been disclosed. It is expected that any liabilities arising from such legal action would not have a material effect on the Group's financial performance.

### Bank Guarantees

As at 30 June 2023 the Group has outstanding US\$108,566 (A\$164,032) (2022: US\$112,998 (A\$164,032)) as a current guarantee provided by a bank for the corporate office lease; a US\$9,928 (A\$15,000) (2022: US\$10,333 (A\$15,000)) guarantee for tenements and US\$86,161 (A\$65,000 and C\$51,947) (2022: US\$80,798 (A\$65,000 and C\$46,378)) guarantee for corporate credit cards.

## NOTE 28. RELATED PARTIES

### Key Management Personnel

Except as disclosed below the only related party transactions are with Directors and Key Management Personnel. Refer to Note 25. Details of material-controlled entities are set out in Note 29.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### Loans from related parties – LHU's loans from CNNC (refer to Note 6)

|                                           | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------------------------|------------------|------------------|
| <b>Non-Current</b>                        |                  |                  |
| At 1 July 2022                            | 78,558           | 68,743           |
| Drawdowns                                 | 85               | 811              |
| Interest charged                          | 3,564            | 3,111            |
| Fair value adjustment to shareholder loan | —                | (644)            |
| Accretion expense                         | 7,501            | 6,537            |
| <b>At 30 June 2023</b>                    | <b>89,708</b>    | <b>78,558</b>    |

### Transactions With Related Parties – Purchase of Uranium from CNNC

|                     | 2023<br>US\$'000 | 2022<br>US\$'000 |
|---------------------|------------------|------------------|
| Purchase of uranium | —                | 4,693            |

## NOTE 29. GROUP INFORMATION

### Information Relating to Paladin Energy Ltd (Parent)

|                                    | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------------|------------------|------------------|
| Current assets                     | 118,502          | 181,285          |
| Total assets                       | 129,338          | 253,156          |
| Current liabilities                | 815              | 596              |
| Total liabilities                  | 12,756           | 12,345           |
| Issued capital                     | 2,646,644        | 2,645,778        |
| Accumulated losses                 | (2,582,911)      | (2,455,032)      |
| Option application reserve         | 137              | 137              |
| Share-based payments reserve       | 53,155           | 49,928           |
| Revaluation reserve                | (443)            | —                |
| Total shareholders' equity         | 116,582          | 240,811          |
| Net loss after tax from operations | (34,760)         | (10,502)         |
| <b>Total comprehensive loss</b>    | <b>(34,760)</b>  | <b>(10,502)</b>  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

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\$37,925,000 (30 June 2022: US\$40,407,000) for the LHM environmental rehabilitation.

### 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 |           |
|-----------------------------------------------------|--------------------------|--------------------------|-----------|
|                                                     |                          | 2023<br>%                | 2022<br>% |
| Paladin Energy Minerals NL                          | Australia                | 100                      | 100       |
| Langer Heinrich Mauritius Holdings Ltd <sup>1</sup> | 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       |
| Aurora Energy Ltd <sup>2</sup>                      | Canada                   | 100                      | 100       |

<sup>1</sup> Langer Heinrich Mauritius Holdings Ltd owns 100% of Langer Heinrich Uranium (Pty) Ltd.

<sup>2</sup> Aurora Energy Ltd equity accounts a 75% interest (FY22: 70%) in a special purpose joint venture (the Michelin Joint Venture) which owns the Michelin Project in Canada. The Michelin Joint Venture includes a farm out agreement over a five-year period whereby Paladin received 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.

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

### NOTE 30. EVENTS AFTER THE BALANCE DATE

Other than disclosed below, 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 with the exception of the following, the financial effects of which have not been provided for in the 30 June 2023 Financial Report.

On 7 July 2023 Paladin announced that it will retain its 75% interest in the Michelin Joint Venture, having completed the process required under the Michelin Joint Venture Agreement to use best efforts to sell the entirety of the joint venture on commercially acceptable terms. The Michelin Joint Venture owns the Michelin advanced exploration project in Labrador, Canada.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2023

### NOTE 31. 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 2023:

| Reference/ Title                                                                              | Summary                                                                                                                                                                                                                                       | Application date of standard* | Application date for Group* |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------|
| 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 January 2023              |
| Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)        | The AASB amended AASB 101 to require entities to disclose material rather than their significant accounting policies.                                                                                                                         | 1 January 2023                | 1 January 2023              |
| General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) | The IASB issued this standard to provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.                  | 1 July 2024                   | 1 July 2024                 |
| Climate-related Disclosures (IFRS S2)                                                         | The IASB issued this standard to build on IFRS S1 and focuses on climate related disclosures.                                                                                                                                                 | 1 July 2024                   | 1 July 2024                 |

\* 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 2023, 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 71 to 119, 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 2023 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 2023 (**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 25th August 2023

On behalf of the board



Cliff Lawrenson

Chair

## Independent auditor's report

To the members of Paladin Energy Ltd

Report on the audit of the financial report

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### 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 2023 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 2023
- 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.

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### 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.

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Liability limited by a scheme approved under Professional Standards Legislation.

## 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\$4.7 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 process of being restarted after a period in care and maintenance or in the 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"> <li>The component auditor performed audit procedures on the financial information of Langer Heinrich Uranium (Pty) Ltd.</li> <li>The Group engagement team performed audit procedures, as required due to their financial significance, on the financial information of the Group's remaining subsidiaries.</li> <li>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.</li> </ul> |

## 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><b>Environmental rehabilitation provisions</b></p> <p><i>(Refer to note 23) [US\$37,925,000]</i></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.</p> <p>Rehabilitation activities are governed by a combination of legislative and licence requirements. At 30 June 2023 the consolidated statement of financial position included provisions for such obligations of US\$37.9 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 environmental 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, amongst others:</p> <ul style="list-style-type: none"> <li>• comparing the rehabilitation costs being estimated at Langer Heinrich to a management's expert assessment of the rehabilitation obligation,</li> <li>• examining supporting information for future cost estimates,</li> <li>• assessing the timing of work to be performed by comparison to mine plans and environmental rehabilitation plans submitted to relevant authorities, and</li> <li>• considering the appropriateness of the discount and inflation rates utilised in calculating the provision by comparing them to current market consensus rates.</li> </ul> |

## 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 2023, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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](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 52 to 66 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Paladin Energy Ltd for the year ended 30 June 2023 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

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

Justin Carroll  
Partner

Perth  
25 August 2023

## ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of ASX as at 21 August 2023

### 1. Distribution and number of holders

| Range   |   |         | Total Holders | No. of Shares |
|---------|---|---------|---------------|---------------|
| 1       | — | 1,000   | 3,659         | 1,968,374     |
| 1,001   | — | 5,000   | 6,600         | 17,080,516    |
| 5,001   | — | 10,000  | 3,093         | 23,734,189    |
| 10,001  | — | 100,000 | 5,827         | 182,760,481   |
| 100,001 | — | maximum | 895           | 2,755,585,387 |
|         |   |         | 20,074        | 2,981,128,947 |

1,934 shareholders hold less than a marketable parcel of shares.

### 2. The twenty largest shareholders hold 82.10% of the total shares issued

| Holder                                                                 | No. of Shares | %     |
|------------------------------------------------------------------------|---------------|-------|
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                              | 747,149,018   | 25.06 |
| CITICORP NOMINEES PTY LIMITED                                          | 569,528,954   | 19.10 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                              | 313,462,521   | 10.51 |
| NDOVU CAPITAL XII B V                                                  | 148,989,744   | 5.00  |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>             | 110,690,921   | 3.71  |
| BNP PARIBAS NOMS PTY LTD <DRP>                                         | 103,484,813   | 3.47  |
| NATIONAL NOMINEES LIMITED                                              | 91,061,717    | 3.05  |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>         | 77,777,262    | 2.61  |
| HOPU CLEAN ENERGY (SINGAPORE) PTE LTD                                  | 54,172,072    | 1.82  |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C> | 51,733,424    | 1.74  |
| BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM                           | 34,050,302    | 1.14  |
| BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>                  | 29,874,233    | 1.00  |
| WASHINGTON H SOUL PATTINSON AND COMPANY LTD                            | 26,300,000    | 0.88  |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2                      | 25,350,754    | 0.85  |
| BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>                          | 16,979,045    | 0.57  |

## ADDITIONAL INFORMATION (CONTINUED)

Pursuant to the Listing Requirements of ASX as at 21 August 2023

|                                                              |                      |              |
|--------------------------------------------------------------|----------------------|--------------|
| HUICEN CAPITAL PTY LIMITED                                   | 14,598,090           | 0.49         |
| CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C> | 11,049,857           | 0.37         |
| XUE INVESTMENTS PTY LIMITED <XUE FAMILY A/C>                 | 8,881,636            | 0.30         |
| BNP PARIBAS NOMS (NZ) LTD <DRP>                              | 6,944,730            | 0.23         |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                    | 5,444,109            | 0.18         |
|                                                              | <b>2,447,523,202</b> | <b>82.10</b> |

Substantial shareholders as disclosed in substantial shareholder notices given to the Company as at 30 June 2023 are as follows:

- Paradise Investment Management Pty Ltd
- Tembo Capital Mining Fund II LP and related entities
- Vanguard Group Holdings

### 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.

### 4. Unquoted securities

#### *Unlisted Share Appreciation Rights*

The Company has 2,878,500 Share Appreciation Rights on issue, issued in accordance with the Share Rights Plan approved by shareholders.

#### *Unlisted Performance Rights*

The Company has 13,924,825 Performance Rights on issue.

## ADDITIONAL INFORMATION (CONTINUED)

Pursuant to the Listing Requirements of ASX as at 21 August 2023

### 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 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%       |
| 025621M   | NL, Canada      | 75%       |
| 025675M   | NL, Canada      | 75%       |
| 025676M   | NL, Canada      | 75%       |

| Tenement | Location   | Ownership |
|----------|------------|-----------|
| 025681M  | NL, Canada | 75%       |
| 035936M  | NL, Canada | 75%       |
| 035937M  | NL, Canada | 75%       |
| 035938M  | NL, Canada | 75%       |
| 035939M  | NL, Canada | 75%       |
| 035940M  | NL, Canada | 75%       |
| 035941M  | NL, Canada | 75%       |
| 035942M  | NL, Canada | 75%       |
| 035943M  | NL, Canada | 75%       |
| 035944M  | NL, Canada | 75%       |
| 035945M  | NL, Canada | 75%       |
| 035946M  | NL, Canada | 75%       |
| 035947M  | NL, Canada | 75%       |
| 035948M  | NL, Canada | 75%       |
| 035949M  | NL, Canada | 75%       |
| 035950M  | NL, Canada | 75%       |
| 035951M  | NL, Canada | 75%       |
| 035952M  | NL, Canada | 75%       |
| 035953M  | NL, Canada | 75%       |
| 035954M  | NL, Canada | 75%       |
| 035955M  | NL, Canada | 75%       |
| 035956M  | NL, Canada | 75%       |
| 035957M  | NL, Canada | 75%       |
| 035958M  | NL, Canada | 75%       |
| 035959M  | NL, Canada | 75%       |



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**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.

All press releases, financial statements and other information are available on our website [www.paladinenergy.com.au](http://www.paladinenergy.com.au).

# Corporate Directory

## DIRECTORS

**Non-Executive Chair** Mr Cliff Lawrenson

**Non-Executive Directors** Mr Peter Main  
Mr Peter Watson  
Ms Melissa Holzberger  
Dr Jon Hronsky OAM  
Ms Joanne Palmer  
Ms Lesley Adams

**Chief Executive Officer** Mr Ian Purdy

**Company Secretary** Mr Jeremy Ryan

## REGISTERED OFFICE

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Perth Western Australia 6000  
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Facsimile: (+61 8) 9381 4978  
Email: [paladin@paladinenergy.com.au](mailto:paladin@paladinenergy.com.au)  
Web: [www.paladinenergy.com.au](http://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  
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## STOCK EXCHANGE LISTINGS

Australian Securities Exchange  
Code: PDN  
  
OTCQX  
Code: PALAF  
  
Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges  
Code: PUR  
  
Namibian Stock Exchange  
Code: NM-PDN

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