PALADIN ENERGY LTD

ACN 061 681 098

2 February 2018

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

By Electronic Lodgement

Dear Sir/Madam

OFFERING CIRCULAR FOR THE ISSUE OF US$115M NEW NOTES

Paladin Energy Ltd (**Paladin** or **Company**) refers to its earlier announcement regarding the effectuation of the deed of company arrangement entered into on 8 December 2017 (**DOCA**) and the completion of the restructure.

Attached is the offering circular which was prepared in connection with the listing of the US$115,000,000 new notes on the Singapore Stock Exchange. The offer for new notes was fully subscribed and the new notes have now been issued.

The offering circular was finalised while Paladin remained subject to the DOCA on 1 February 2018.

Yours faithfully
Paladin Energy Ltd

ALEXANDER MOLYNEUX
CEO

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IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS OR IAIS (AS SUCH TERMS ARE DEFINED BELOW) OR (2) LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the attached Offering Circular (the "Offering Circular") following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND GUARANTEES REFERRED TO IN THE OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. SUCH NOTES AND GUARANTEES ARE BEING OFFERED ONLY (1) TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A")) ("QIBS") OR INSTITUTIONAL ACCREDITED INVESTORS ("IAIS") WITHIN THE MEANING OF RULE 501(A)(1), (2), (3), OR (7) OF REGULATION D UNDER THE US SECURITIES ACT AND (2) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")) IN RELIANCE ON REGULATION S.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to such notes and guarantees, an investor must be either (1) a QIB or an IAI or (2) located outside the United States (within the meaning of Regulation S). The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that you and any customers you represent are (1) QIBs or IAIs; or (2) outside of the United States purchasing the securities being offered in an offshore transaction (within the meaning of Regulation S) and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States; and in either such case that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer nor any person who controls the Issuer nor any of its directors, officers, employees, agents or affiliates nor Matthew Woods, Hayden White or Gayle Dickerson in their capacity as joint and several deed administrators of the Issuer ("Deed Administrators") accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy thereof.

LIMITATION OF LIABILITY

To the maximum extent permitted by law and subject to applicable laws:

(a) the Deed Administrators are a party to this document in their capacity as joint and several deed administrators of the Company and not in their personal capacity;

(b) the Deed Administrators disclaim any liability from any claim, demand or action arising against the Deed Administrators from any loss suffered or incurred, whether known or unknown, that is in any way connected with this document;

(c) the Deed Administrators confirm that any information or material that may be provided by the Deed Administrators in connection with this document is provided on behalf of the Issuer, and the Deed Administrators do not, and will not in future, give any representation or warrant as to the completeness, accuracy or relevance of any such information or material; and

(d) the Deed Administrators disclose that they have not (and their directors, officers and employees have not) attended any site visits to the Langer Heinrich or Kayelekera mines or any premises on which a member of the Group (defined below) conducts business, and do not, and will not in future, give any representation or warranty as to the condition or operability of the Langer Heinrich or Kayelekera mines, the mine sites, any plant or equipment on the mine sites or any premises on which a member of the Group conducts business.

Offering Circular dated 1 February 2018

PALADIN ENERGY LTD
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

ACN 061 681 098

US$115,000,000

9.000%/10.000% Senior Secured PIK Toggle Notes due 2023

IMPORTANT NOTICE

About this document

Paladin Energy Ltd (subject to a deed of company arrangement) (the "Issuer", "Paladin" or the "Company") confirms that this Offering Circular contains or incorporates by reference all information regarding the Issuer and its subsidiaries as a whole (the "Group"), the Issuer's US$115,000,000 9.000%/10.000% Senior Secured PIK Toggle Notes due 2023 (the "Notes") which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility for the information contained in this Offering Circular.

This Offering Circular should be read in its entirety. It contains general information only and does not take into account your specific objectives, financial situation, risk tolerance or needs. In the case of any doubt, you should seek the advice of a stock broker or other professional advisor.

This Offering Circular has not been and will not be, lodged with the Australian Securities and Investments Commission ("ASIC") and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "Corporations Act"). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any "retail client" as defined in section 761G of the Corporations Act. The Issuer is not licensed to provide financial product advice in respect of the Notes. Cooling-off rights do not apply to the acquisition of the Notes.

None of the Company, any member of its Group, or their respective associates or directors guarantees the success of the offering of the Notes, the repayment of capital or any particular rate of capital or income return. Investment-type products are subject to investment risk, including possible loss of income and capital invested.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer, the Group, the Notes, the Guarantees (as defined below) or the Collateral (as defined below) other than as expressly contained in this Offering Circular or, after the date of this Offering Circular, as expressly approved in writing by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of this Offering Circular.

The information on any websites referred to in this Offering Circular or any website directly or indirectly linked to such websites is not incorporated by reference into this Offering Circular and should not be relied on.

Restrictions in certain jurisdictions

This Offering Circular does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offering Circular and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required to inform themselves about or observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see "*Subscription and Sale*".

The Notes have not been and will not be registered under the U S Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered only (i) QIBs or IAIs within the

meaning of Rule 501(a)(1), (2), (3), or (7) of Regulation D and (ii) outside of the United States in offshore transaction (as defined in Regulation S) in reliance on Regulation S.

Prohibition of sales o EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or made available to any retail investor in the European Economic Area ("EEA"). For these purposes, "retail investor" means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 ("PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Listing on the Singapore Exchange Securities Trading Limited

Approval in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the " SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle for the listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes.

Global Note

The Notes will be in registered form. Notes which are offered and sold in reliance on Regulation S will be represented by beneficial interests in one or more Regulation S Global Notes ("Regulation S Global Notes") and Notes which are offered and sold to QIBs or IAIs will be represented by beneficial interests in a restricted global note (the "Restricted Global Note" and, together with the Regulation S Global Notes, the "Global Notes"). The Global Notes will be deposited on or around 1 February 2018 (the "Closing Date") with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Each Global Note will be exchangeable, in whole or in part, for individual definitive Notes in registered form serially numbered in denominations of US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000 in certain limited circumstances only as described therein and herein.

Further information on the Company

The Company is a 'disclosing entity' for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules of the Australian Securities Exchange ("ASX"). Copies of documents regarding the Company lodged with ASIC or the ASX respectively may be obtained from, or inspected at, any ASIC office or the ASX respectively.

In addition, you have the right to obtain a copy of the following documents:

- the Annual Report of the Company for the years ended 30 June 2017 and 30 June 2016;
- the half year report of the Company for the half year ended 31 December 2016; and
- any continuous disclosure notices given by the Company after the lodgement of the Annual Report for the year ended 30 June 2017.

These documents may be obtained from the Company, free of charge, during the period up to and including 30 June 2018 by contacting the Company Secretary at the head office of the Company at Level 4, 502 Hay Street, Subiaco, Western Australia, 6008, Australia telephone +61 (8) 9381 4366. These documents and all other regular reporting and disclosure documents of the Company, are also available electronically on the website of the ASX, at www.asx.com.au.

Risk Factors

Prospective purchasers of Notes should carefully consider the risks and uncertainties described or referred to in this Offering Circular. An investment in the Notes should be considered speculative due to various factors, including the nature of the Company's business. See "—*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*".

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements concerning anticipated developments in the Company's operations in future periods, planned exploration activities, the adequacy of the Company's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "targeted", "plans", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralisation might be found to be present if and when a project is actually developed.

Forward-looking statements are statements about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this document under the heading "*Risk Factors*". The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and, except as required by law, the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

AVAILABLE INFORMATION

The Company has agreed that, so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the US Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting thereunder pursuant to Rule 12g3-2(b) under the Exchange Act, provide to any holder or beneficial owner of any such "restricted security", or to any prospective investor of such restricted security designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) of the US Securities Act upon the request of such holder or beneficial owner.

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KEY FEATURES

Summary of the Offering

The following is a summary of the principal features of the Notes and the Offering (as defined below). Terms defined under "Terms and Conditions of the Notes" herein (the "Conditions") or elsewhere in this Offering Circular shall have the same respective meanings in this summary.

The following summary is qualified in its entirety by the more detailed information appearing in the Conditions.

Issuer	Paladin Energy Ltd (subject to a deed of company arrangement)
The Notes	US$115,000,000 9.00/10.00% PIK Toggle Notes due 2023.
The Offering	The Notes are being offered and sold within the United States to QIBs or IAIs, and outside the United States in accordance with Regulation S (the "Offer" or "Offering").
Issue Price	100% of the principal amount.
Denomination	US$200,000 or any amount in excess thereof which is an integral multiple of US$1,000.
Closing Date	On or about 1 February 2018.
Maturity	Unless previously purchased and cancelled or redeemed, the Notes will be redeemed in cash on 1 February 2023 at their principal amount.
Interest Rate	From the Funding Date: (a) PIK Interest on the Notes will accrue at the rate of 10.000% per annum and will be deferred on each Interest Payment Date commencing on 31 March 2018. No additional Notes will be issued in respect of such deferred PIK Interest. Each amount of deferred PIK Interest also bears interest at the rate of 10.000% per annum from, and including, the date on which payment was deferred. However, the Issuer shall be required to pay Cash Interest (rather than deferred PIK Interest) at a rate of 9.000% per annum if (a) the operating cash flow (determined in accordance with IFRS) minus Maintenance Capital Expenditure of the Issuer and its Subsidiaries (on an attributable basis) for the half-year immediately preceding such Interest Payment Date is no less than US$5,000,000, and (b) the Issuer and its Subsidiaries (on a consolidated basis) have, after giving pro forma effect to such Cash Interest payment, no less than US$50,000,000 of cash and Cash Equivalents (net of any Restricted Cash) as of the last day falling 15 calendar days before the relevant Interest Payment Date. (b) The Issuer may also elect to pay Cash Interest at a rate of 9.000% per annum on each Interest Payment Date commencing from 31 March 2018 for interest due in respect of any interest period except for the final interest period, with respect to 25%, 50%, 75% or 100% of the applicable interest payment (with the relevant balance being deferred PIK Interest), even if the Issuer is not required to pay Cash Interest pursuant to Condition 2.2(c). All amounts of deferred PIK Interest (and any interest

accrued thereon) is due and payable (in cash) when the Notes are redeemed in accordance with the terms.

Guarantees..... Certain material Subsidiaries of the Issuer (subject to consents), including Paladin Finance Pty Ltd (subject to a deed of company arrangement) ("Paladin Finance"), Paladin Energy Minerals NL (subject to a deed of company arrangement) ("PEM"), NGM Resources Pty Ltd, Fusion Resources Pty Ltd, Paladin N.T. Pty Ltd, Eden Creek Pty Ltd, Mt Isa Uranium Pty Ltd, Paladin Nuclear Limited, Paladin Intellectual Property Pty Ltd, Valhalla Uranium Pty Ltd, Paladin Canada Holdings (NL) Ltd ("PCH"), Paladin Employee Plan Pty Ltd, PEM Malawi Pty Ltd and Michelin Uranium Ltd ("MUL") (together, the "Guarantors").

Requirement that the Issuer and the Guarantors (together) represent 90% of the Group's total assets, revenues and EBITDA (the "Guarantor Coverage Test") at the end of each half-year period for which financial statements are provided in accordance with the ASX listing rules (each, a "Test Date"). The assets, revenues and EBITDA of any entity which is not required to be (or cannot become) a Guarantor due to certain legal prohibitions as set forth in Condition 8.13(c) and Langer Heinrich Uranium (Pty) Ltd ("LHUPL"), Langer Heinrich Mauritius Holdings Limited ("LHMHL"), Paladin Canada Investments (NL) Ltd ("PCI"), Paladin Energy Canada Ltd ("PEC"), and Aurora Energy Ltd ("Aurora") shall be excluded from the denominator for purposes of assessing compliance with the Guarantor Coverage Test for so long as the granting of guarantees by such entities is prohibited under the arrangement with CNNC Overseas Uranium Holding Limited ("COUH"), and the arrangements entered into with Electricité de France and its substitutes (including by novation) and assigns from time to time ("EDF") (as relevant and in each case, in their form on the date the administrators were appointed, respectively).

If the Guarantor Coverage Test is not satisfied on any Test Date, requirement to have additional Subsidiaries of the Issuer accede as Guarantors within 60 days.

Collateral..... Secured on a first-ranking basis by all material assets of the Issuer and the Guarantors (other than MUL and PCH ("Canadian Guarantors")), including any future entity designated by the Issuer as a guarantor (but excluding Excluded Assets), unless prohibited by applicable law or pursuant to contracts existing on the voluntary administration filing date (the "Collateral").

Secured by security granted by the Issuer over its rights under the LH Revolving Credit Facility. The LH Revolving Credit Facility is to be transferred to the Issuer from Deutsche Bank AG, London Branch ("Deutsche Bank") as part of the Restructure.

Secured, to the extent possible, by any assets that currently secure the LH Revolving Credit Facility.

In respect of the Canadian Guarantors, the Issuer will procure that, within 30 days of the Issue Date ("Canadian Security Date"):

(a) the Canadian Guarantors grant first ranking Liens in favour of the Security Trustee over all their assets other than over their Participating Interest (as defined in the Joint Venture Agreement dated February 2011 between MUL, PCH, PCI and Aurora ("Michelin Joint Venture Agreement"); and

(b) the Canadian Guarantors request and use reasonable endeavours to obtain consent from EDF (but provided that neither the Issuer nor the Canadian Guarantors shall be required to act to their material commercial detriment in order to obtain such consent) in relation to the granting of first ranking Liens over their Participating Interest (as defined in the Michelin Joint Venture Agreement), and if consent is granted, must grant such Liens over their Participating Interest.

The Issuer will also, promptly after Liens over the material assets of PCI, Aurora, MUL and PCH, which relate to the mineral exploration project known as Michelin and located in Labrador (Canada) have been released, grant first ranking Liens in favour of the Security Trustee over such assets.

Ranking ..... The Notes constitute senior unconditional obligations of the Issuer, secured on a first-ranking basis on the Collateral, and rank *pari passu* without any preference among themselves and at least equally with all other existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes. The Notes are secured in the manner set forth in Condition 7 in the Trust Deed, the Security Documents and the Subordination Agreement. The Notes are guaranteed on a senior secured basis by the Guarantors as described in Condition 6. Each Guarantee (and in respect of the Canadian Guarantors, only as from the Canadian Security Date) ranks *pari passu* in right of payment to all existing and future secured Indebtedness of the relevant Guarantor, senior in right of payment to any existing or future Subordinated Indebtedness.

Additional Amounts ..... All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) under or with respect to the Notes, or under or with respect to any Guarantee, as applicable, will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment, deduction, withholding or other governmental charge (including penalties, fines, interest and other additions related thereto), unless such withholding or deduction is required by law.

Use of Proceeds ..... On the Closing Date, the Company will use the net proceeds received by it, or on its behalf, from the sale of the Notes pursuant to the Offering to purchase, in full, Deutsche Bank's rights and obligations under the amended and restated facility agreement dated July 20, 2017 among Deutsche Bank, as original lender, LHUPL, Paladin Finance, and PEM as borrowers, and Paladin Energy Ltd (subject to a deed of company arrangement) as the parent, providing for a revolving facility in an aggregate amount of up to US$60,000,000, to cash back Nedbank Limited's issue of a performance bond to the Government of Malawi ("GoM") for Paladin (Africa) Limited's ("PAL") environmental rehabilitation obligations associated with the Kayelekera Mine ("KM") and to finance its and its subsidiaries' operations.

Optional Redemption by the Issuer ..... The Issuer may redeem all or some of the Notes at any time at the redemption prices described in Condition 3.1, which include accrued and unpaid interest (including deferred PIK Interest for the Notes being redeemed) and Additional Amounts, if any, to the date of redemption.

Mandatory Redemption……... If the Issuer or any of its Subsidiaries or any other person on behalf of any of the foregoing repays or prepays all or any part of the LH Revolving Credit Facility while the Notes remain outstanding (other

	than the purchase of Deutsche Bank's rights and obligations under the LH Revolving Credit Facility by the Issuer on the Issue Date), the Issuer must redeem an equivalent principal amount of the Notes in accordance with Condition 3.2 (which redemption price will include accrued but unpaid interest (including deferred PIK Interest for the Notes being redeemed) and any Additional Amount from the Issue Date to the date of the Mandatory Redemption).
Tax Redemption	In the event of certain changes affecting taxes of a Relevant Taxing Jurisdiction (or any political subdivision or any authority thereof or therein having power to tax), the Issuer may, subject to certain conditions being satisfied, give notice to redeem all (but not some of) the Notes at any time at their principal amount, together with accrued but unpaid interest (including any deferred PIK Interest) and Additional Amounts, if any, to such date, in accordance with the terms set out in Condition 4.2.
Certain Covenants.....	The Notes will contain certain covenant provisions given by the Issuer and the Guarantors in respect of the Notes. See Condition 8.
Other Events of Default	For a description of certain events that will permit acceleration of the Notes, see Condition 10. Upon acceleration for any such event, the Notes will become immediately due and repayable at their principal amount, together with accrued but unpaid interest and Additional Amounts, if any.
Cross Default.....	US$10.0 million in principal amount.
Judgement Default.....	US$10.0 million.
Trust Deed.....	The Notes will be constituted by a trust deed dated 25 January 2018 (the "Trust Deed") between, among others, the Issuer and the Trustee.
Trustee.....	GLAS Trustees Limited.
Security Trustee.....	GLAS Trust Corporation Limited.
Governing Law	The Notes and the Trust Deed (and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed) will be governed by, and construed in accordance with, English law.
Principal Paying Agent	Banque Internationale à Luxembourg S.A.
Registrar.....	Banque Internationale à Luxembourg S.A.
Form of the Notes and Delivery.....	The Notes will be in registered form without coupons attached and will initially be represented by one or more Global Certificates registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream on or about the Closing Date.
Transfer Restrictions.....	The Notes and the Guarantees have not been, and will not be, registered under the US Securities Act, or under any other national, federal, state or local securities laws in any country. The Notes and the Guarantees are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from or not subject to the registration requirements of the US Securities Act, or any other applicable securities laws.

Listing.....	Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. **The Issuer has not applied and will not be applying to have the Notes admitted to trading on the ASX**.
ISIN.....	Regulation S Notes: XS1762161310. Restricted Notes: XS1762161666.
Common Code	Regulation S Notes: 176216131. Restricted Notes: 176216166.
Currency Information.....	The Company reports in US dollars. Unless otherwise indicated, all references to "$", or "A$" or "dollars" in this Offering Circular refer to Australian dollars. References to "US$" or "US dollars" in this Offering Circular refer to United States dollars.

INCORPORATION BY REFERENCE

Information has been incorporated by reference in this Offering Circular from documents filed with ASIC and the ASX, as the case may be. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company Secretary at Level 4, 502 Hay Street, Subiaco, Western Australia, 6008, Australia, telephone +61 (8) 9381 4366. These documents are also available electronically through the internet from ASIC or the ASX as set out in the "*Important Information*" section.

The following documents filed with ASIC and the ASX, as the case may be, are specifically incorporated by reference into this Offering Circular and form an integral part of this Offering Circular:

(e) Notice of Annual General Meeting and Management Information Circular lodged on 17 October 2016 in connection with the Annual General Meeting of shareholders held on 18 November 2016; and

(f) all other continuous disclosure notices excluding those documents listed in the Other Important Documents section below (which, for the avoidance of doubt, includes each Appendix 3B (New Issue Announcements) and each Appendix 3Y (Change of Director's Interest Notice) submitted to the ASX by the Company pursuant to the ASX Listing Rules) given by the Company after the lodgement of the Annual Report and up until the date of this Offering Circular.

Each document incorporated herein by reference is current only as at the date of such document and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a subsequent statement contained in another document incorporated herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Notes.

OTHER IMPORTANT DOCUMENTS

In addition to the documents incorporated by reference prospective investors are advised to obtain and read the following documents before making any investment decision in relation to the Notes:

(a) the consolidated financial statements of the Group for the year ended 30 June 2015, 30 June 2016 and 30 June 2017;

(b) Annual Report of the Company lodged on 31 January 2018 for the year ended 30 June 2017 (the "Annual Report"); and

(c) each quarterly activities report released by the Company after the lodgement of the Annual Report and up until the date of this Offering Circular.

The above documents are available through the ASX or Paladin's website at www.paladinenergy.com.au.

ABOUT THE COMPANY

HISTORY

The Company was incorporated under the name "Paladin Resources NL" in Australia on 24 September 1993 as a "no liability" company under a Memorandum and Articles of Association. In February 1994, the Company completed its initial public offering in Australia and on 29 March 1994 commenced trading on the ASX. Following changes to Australian corporations law, the Company's Memorandum and Articles of Association were replaced by a Constitution in November 1999.

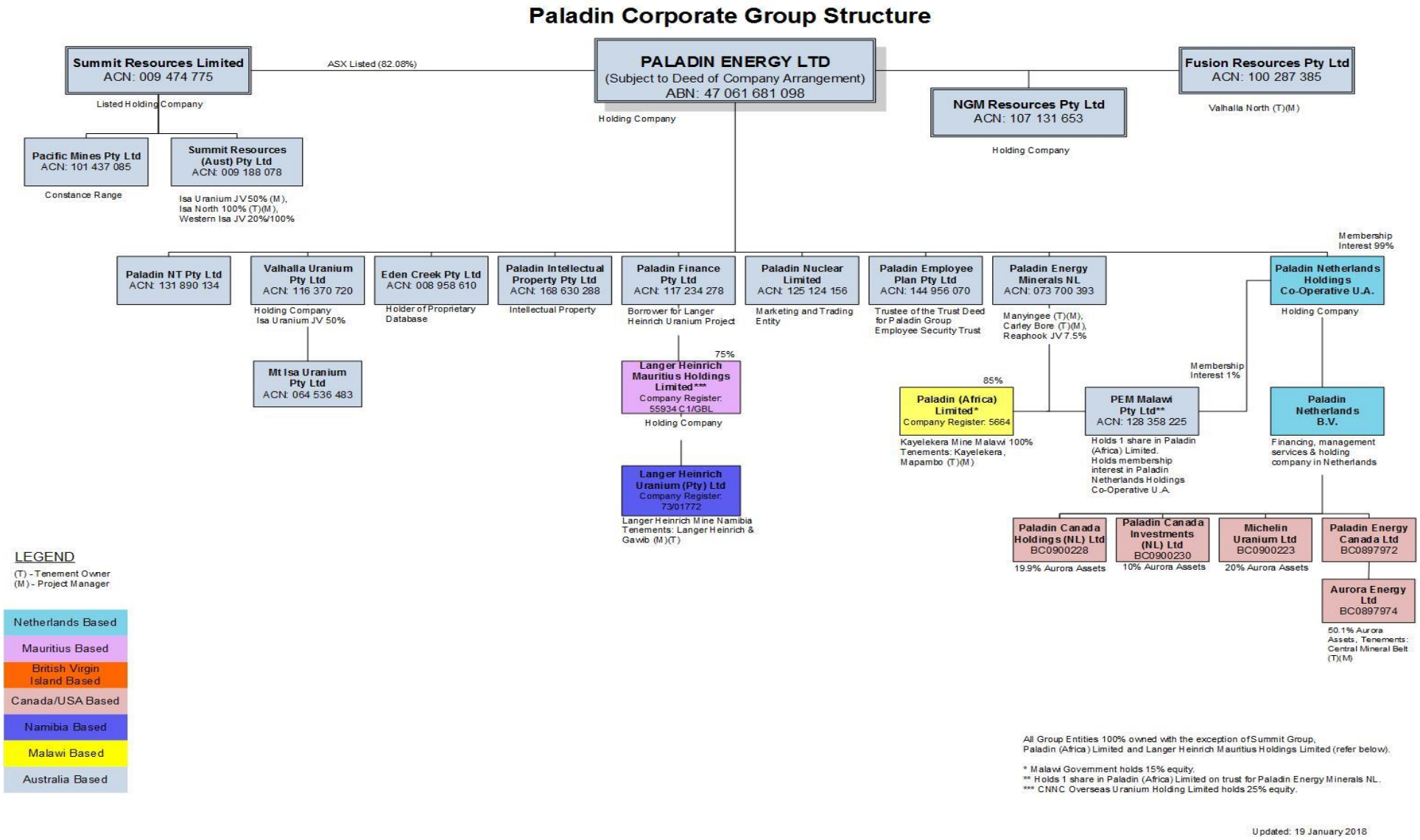
On 21 January 2000, the Company changed from a no liability company to a limited liability company. At that time, its name changed to "Paladin Resources Ltd". The Company obtained a secondary listing on the TSX on 29 April 2005. On 22 November 2007, the Company changed its name to "Paladin Energy Ltd". On 3 July 2017 the board of directors of the Company appointed voluntary administrators and on 7 December 2017 its creditors approved a Deed of Company Arrangement which is expected to take effect in January 2018. All of the directors of the Company other than Chairman Rick Crabb, resigned on 8 December 2017.

The TSX determined to delist Paladin's shares effective at the close of market on 10 August 2017. On 17 January 2018 Paladin announced that it had given notice to Computer Investor Services Inc to close the Company's Canadian ordinary share register. The effective date for termination and closing of the Canadian register is 3 February 2018.

Further information about the Company and its business is publicly available at its website (www.paladinenergy.com.au), on the ASX's website (www.asx.com.au).

GROUP STRUCTURE

The below chart outlines the corporate structure, the percentage of voting securities held, the jurisdiction and registered number (where applicable) of each entity within the Group.

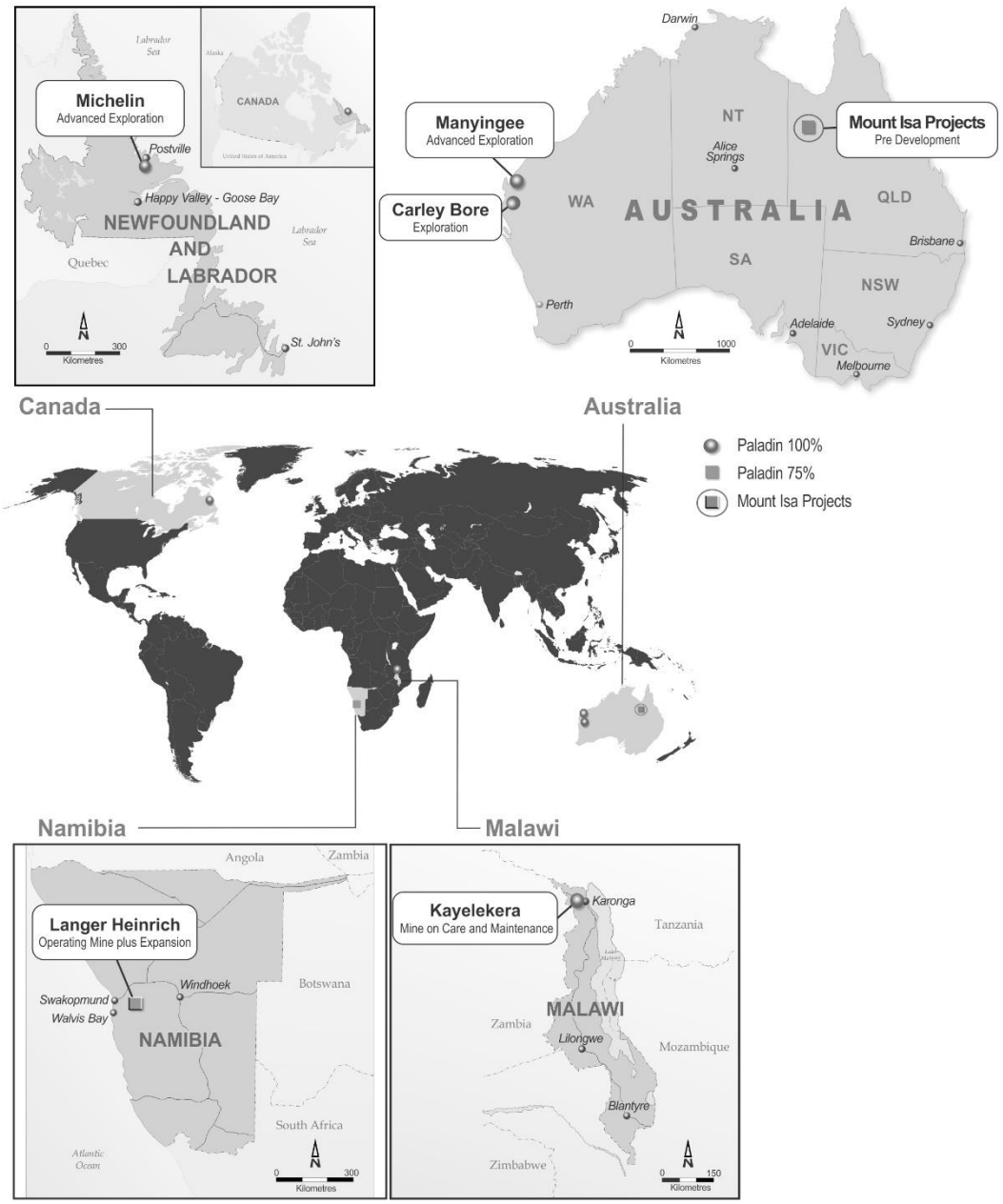


BUSINESS

A brief overview of the Company's business is set out below.

The Company operates in the resources industry. The Company considers its value to be based on five key drivers – its one producing mine, the quality of its pipeline of uranium deposits, the experience of its management team, its industry positioning and sustainability of its operations. Its principal business is the evaluation, development and operation of uranium projects in Africa, Canada and Australia. The Company currently sells uranium concentrates from the operating Langer Heinrich Mine ("LHM") and has previously developed to production phase the KM (currently on "care and maintenance" ("C&M")).

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 has not materially changed since it was last reported. Unless specifically

noted, Mineral Resources are as reported in the Company's financial statements for the financial year ended 30 June 2017.

Paladin's attributable Mineral Resource inventory, with effect from 30 June 2017, includes 152,095t U_3O_8 (335.3Mlb) at 0.066% U_3O_8 in the Indicated and Measured categories (including ROM stockpiles) and 42,824t of U_3O_8 (94.4Mlb) at 0.055% U_3O_8 in the Inferred Resource category.

A summary of the status of each of the advanced projects is detailed in the following table. This table does not include additional JORC(2004) compliant Mineral Resources from Bikini, Andersons, Mirrioola, Watta or Warwai deriving from Paladin's 82.08% ownership of Summit Resources Ltd ("Summit"), nor from the Duke Batman or Honey Pot deposits.

Project	Overview	Mining Method/ Deposit Type	Outlook	Mineral Resources	
Uranium Production					
*Langer Heinrich Mine - 75% (Namibia, Southern Africa)	The Company's cornerstone asset commenced production in 2007. The Stage 3 expansion is complete with production capacity at 5.2Mlb per annum (pa). Studies are underway for a further expansion.	Conventional open pit; calcrete	Project life of 20 years	M&I (inc stockpiles): Inferred:	116.1Mt @ 0.046% (118.9Mlb U_3O_8) 8.7Mt @ 0.047% (9.0Mlb U_3O_8)
*Kayelekera Mine – 85% (Malawi, Southern Africa)	Paladin's second uranium mine, capable of operating at nameplate of 3.3Mlb pa.	Conventional open pit; sandstone	Currently on care and maintenance due to low uranium prices	M&I (inc stockpiles): Inferred:	15.0Mt @ 0.072% (23.9Mlb U_3O_8) 5.4Mt @ 0.06% (7.4Mlb U_3O_8)
Uranium Development					
*Aurora Project – 100% (Labrador, Canada)	Paladin's first entry into Canada. Resource definition and additional exploration has been planned for.	Open pit - underground; metasomatic	Resource definition and extension drilling is ongoing	M&I: Inferred:	54.4Mt @ 0.09% (105.7Mlb U_3O_8) 13.1Mt @ 0.08% (22.1Mlb U_3O_8)
**Manyingee Project – 100% (Western Pilbara, Western Australia)	Resource update has been completed and planning for a field leach trial is underway. Now includes the Carley Bore deposit and adjacent tenements.	In-situ leach; sandstone	3 year staged feasibility study required	M&I: Inferred:	13.8Mt @ 0.07% (20.7Mlb U_3O_8) 22.8Mt @ 0.04% (20.8Mlb U_3O_8)
*Valhalla, Skal & Odin Deposits – 91.04% (Queensland, Australia)	One of Paladin's significant Australian assets. Metallurgical studies are progressing towards developing a comprehensive processing flowsheet.	Open pit - underground; metasomatic	Development dependent on market conditions	M&I: Inferred:	57.2Mt @ 0.07% (93.7Mlb U_3O_8) 16.3Mt @ 0.06% (22.0Mlb U_3O_8)

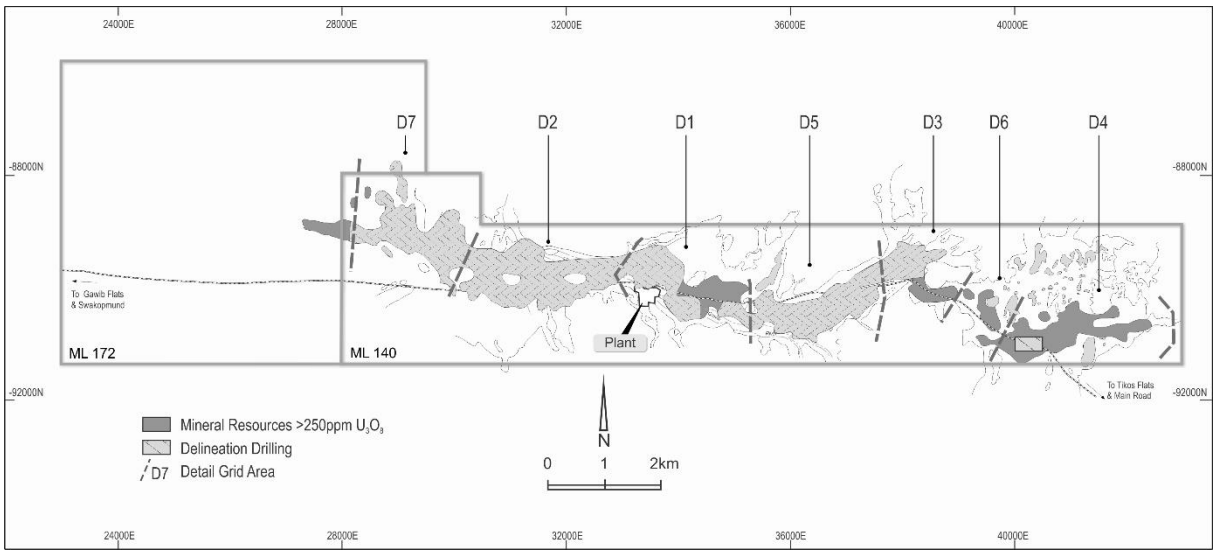
Mineral Resources are quoted inclusive of any Ore Reserves that may be applicable.
Mineral Resources detailed above in all cases represent 100% of the resource – not the participant's share.
**Conforms to JORC(2004) guidelines and National Instrument 43-101 ("NI43-101"), in addition the Mineral Resources for the Michelin and Jacques Lake deposits conforms to the JORC(2012) guidelines.*
***Conforms to JORC(2012) guidelines.*
(a) For Kayelekera, the GoM holds a 15% equity interest in the subsidiary, PAL, the holder of the Kayelekera Mining Licence.
(b) For Valhalla, Skal & Odin, Paladin's interest is based on 50% deriving from the Isa Uranium Joint Venture and 41.04% via Paladin's 82.08% ownership of Summit.
(c) For Aurora, 60.1% of the project is subject to a charge in favour of Deutsche Bank. Notices have been issued seeking to enforce the security.
Langer Heinrich and Kayelekera Mineral Resources have been depleted for mining to the end of June 2017 and June 2014 respectively.
M&I = Measured and Indicated.

NAMIBIA

LANGER HEINRICH MINE

Following the sale in 2014 of a 25% equity stake to COUH, a wholly owned subsidiary of China National nuclear Corporation, Paladin owns 75% of LHM in Namibia through its Namibian subsidiary, LHUPL. Paladin purchased the Langer Heinrich project in August 2002 and following development and construction, production commenced from the open pit mine together with a conventional alkaline leach plant in early 2007. Annual production of 2.7Mlb of U_3O_8 was achieved in FY2009. Soon afterwards a Stage 2 expansion was undertaken to increase production to 3.7Mlb pa U_3O_8 followed by construction and commissioning of the Stage 3 expansion which was completed in FY2012 resulting in production over 5Mlb.

Langer Heinrich is a surficial calcrete type uranium deposit containing a Mineral Resource of 53,937t U_3O_8 at a grade of 0.046% U_3O_8 in the Measured and Indicated categories (including ROM stockpiles) in seven mineralized zones designated Detail 1 to 7 (see figure below) along the length of the Langer Heinrich valley within the 15km length of a contiguous paleo drainage system. The deposit is located in the Namib Desert, approximately 80km from the major seaport of Walvis Bay.



Operations

Following the continued decline in the spot price uranium market, the mine introduced a mining curtailment strategy in November 2016 following approval received from the Minister of Mines and Energy in late October 2016. With the benefit of substantial Medium Grade (MG) stockpiles available, in order to reduce operating costs the mine suspended all mining activities and commenced with the processing of its MG stockpiles. Resulting from this strategy some 28 LHM personnel were retrenched together with 280 mining contractors. Approximately 86 mining contractors were retained for load and haul activities involving the moving of MG stockpiles to the RoM pad for eventual crushing.

Langer Heinrich produced 4.149Mlb U_3O_8 in FY2017, down 13% from the previous year's total of 4.763Mlb U_3O_8. This reduced production was directly attributable to the implementation of the mining curtailment strategy which saw throughput grade reducing to 610 ppm for the year, down 13% from FY2016. Plant throughput decreased by 1% from 3.57Mt in FY2016 to 3.52Mt for FY2017 whilst recoveries through the plant increased by 1% from 86.3% to 87.7% assisted by the successful commissioning of Flash Splash 2.

The Bicarbonate Recovery Plant (BRP) technology can now be considered established with the BRP continuing to perform to design on a regular basis. This technology, owned by Paladin has proved highly cost beneficial to LHM and reflects the success of its investment in innovation. With this technology now established there is further potential for additional enhancements at the back-end of the plant which should result in further cost savings to the mine. Additionally expansion plans to allow the treatment of much lower feed grade ore remain under development with the goal to reduce unit operation costs.

The mine has throughout FY2017 continued to vigorously control costs with C1 cash costs of production reaching yet another all-time low of US$19.91/lb.

With the expectation that uranium prices will continue to remain depressed during FY2018, the focus on cost reduction and efficiency gains remains at the forefront of the mines agenda in order to remain sustainable.

Despite the reduction in cash operating costs achieved through the curtailment of physical mining, LHM continued to incur losses and did not generate positive operating cash flow in the first half of FY2018, due to the low prevailing uranium spot price during that period.

The current operating strategy, including the physical curtailment of mining, is dependent on processing available stockpiles of MG ore. At the current processing rate it is expected that such stockpiles will be exhausted in early-to-mid-2019. At least six months in advance of that, the Company will need to consider alternative operational options for LHM going forward including: a re-start of physical mining operations; processing of LG ore stockpiles; or care and maintenance. Various factors will need to be considered to determine the appropriate operating strategy including uranium market conditions.

Mineral Resources and Ore Reserves Estimation

Mineral Resources and Ore Reserves conforming to the JORC(2012) code and NI43-101 are detailed below.

Mineral Resource estimate (250ppm U_3O_8 cut-off)

	Mt	**Grade % U_3O_8**	**t U_3O_8**	**Mlb U_3O_8**
Measured	60.71	0.051	31,169	68.72
Indicated	21.48	0.046	9,854	21.72
Measured + Indicated	**82.19**	**0.050**	**41,022**	**90.44**
Stockpiles	**33.90**	**0.038**	**12,915**	**28.47**
Inferred	**8.70**	**0.047**	**4,073**	**8.98**

(Figures may not add due to rounding and are quoted inclusive of any Ore Reserves, and have been depleted for mining to the end of June 2017).

Ore Reserves

Economic analysis on this resource has indicated a break-even cut-off grade of 250ppm.

Ore Reserve Estimate (250ppm U_3O_8 cut-off)

	Mt	**Grade % U_3O_8**	**t U_3O_8**	**Mlb U_3O_8**
Proved	41.97	0.052	21,997	48.49
Probable	13.14	0.049	6,366	14.04
Stockpiles	33.90	0.038	12,915	28.47
Total	**89.01**	**0.046**	**41,278**	**91.00**

Ore Reserve has been depleted for mining to the end of June 2017.

The Ore Reserve was estimated from the original un-depleted Measured and Indicated Mineral Resource of 151.8Mt at a grade of 0.054% U_3O_8. During the year the Mineral Resource estimate for the project was updated to incorporate all the additional drilling completed on site since 2010. The additional Reverse Circulation ("RC") drilling amounted to some 29,954 holes for 1,044,922m added to the resource dataset. It also allowed for an important increase in the definition of the non-mineralised basement profile. This updated basement profile was then used to further refine the Ore Reserve pit design. The Mineral Resource estimate was completed using Multi-Indicator Kriging and incorporates a specific adjustment based on expected mining parameters which have

now been adjusted from those used in the 2010 Mineral Resource to incorporate information derived from actual mining. As a result, additional dilution and mining recovery are not included in the Ore Reserve estimation. Changes from the 2010 Mineral Resource have been a significant transfer on material from Indicated to Measured category and a substantial reduction in Inferred material due to the increased drilling density. Overall there was a less than 1% reduction in contained metal. Differences between the updated Ore Reserve are related to depletion due to mining, refinement of the pit design based on the new basement profile and better definition of mineralisation edges due to increased drilling density and removal of material from the Ore Reserve as a result of on-going conversion of existing pits to tailings facilities. There has been no change to either the Mineral Resource or Ore Reserve cut-off grades, both remaining at 250ppm.

These reserves form the basis of the continuing life of mine plan for the Project. The revised mine plan allows a project life of 20 years, based on current processing feed rates.

Exploration (ML172)

ML 172, previously EPL3500, covers the western extension of the mineralised Langer Heinrich paleochannel. An application to convert the EPL to a mining lease has now been granted. During the year a follow-up test passive seismic survey was conducted in order to cost effectively determine the likely basement location with promising results. It is expected that the survey area will be significantly expanded in the 2018 financial year.

MALAWI

KAYELEKERA MINE

KM, which is currently on C&M, is located in northern Malawi, 600km north of the country's capital city, Lilongwe, and 52km west of the regional administrative and commercial centre of Karonga.

Kayelekera is a sandstone-hosted uranium deposit, associated with the Permian Karoo sediments and hosted by the Kayelekera member of the North Rukuru sedimentary outcrop of the Karoo System. The mineralisation is associated with seven variably oxidised, coarse grained arkoses, separated by shales and mudstones. Uranium mineralisation occurs as lenses, primarily within the arkose layers and, to a lesser extent, in the mudstone. The lowest level of known mineralisation is at a depth of approximately 160m below surface.

Kayelekera is owned 100% by PAL, an 85% subsidiary of Paladin. In July 2009, Paladin issued 15% of the equity in PAL to the GoM under the terms of the Development Agreement signed between PAL and the GoM in February 2007, which established the fiscal regime and development framework for KM. PAL operates KM under the provisions of Environmental Certificate 27.3.1, granted in March 2007, following approval of the Kayelekera Project Environmental Impact Assessment ("EIA") and Mining Licence ML152, granted in April 2007. ML152 covers an area of some 55km² surrounding the Kayelekera deposit and was granted for a period of 15 years, renewable for further 10-year periods. The EIA contained a Social Impact Assessment and Management Plan, which was implemented during the construction and operational phases of KM, with certain components continuing during C&M. Under the terms of the Development Agreement, PAL has undertaken various corporate social responsibility ("CSR") obligations in relation to operation of a Social Responsibility Plan, Local Business Development and Community Consultation.

Construction took place in 2007 to 2009 and KM operated for five years from 2009 to 2014, producing a total of 10.7Mlb U_3O_8 in that period. As a consequence of sustained losses due to low prevailing uranium prices in the wake of the 2011 Fukushima incident ("Fukushima"), production at KM was suspended in May 2014. The operation was placed on C&M until such time as economic conditions improve sufficiently to enable KM to resume production with sustained profitability. More than 50% of the project's total reserves and resources remain for future development. This is sufficient to provide for approximately 2.5Mlb pa of production, with the potential to produce strong cash flows for at least another six years. Additional regional exploration has the potential to extend that further.

C&M Operations

KM completed its third full year on C&M, with no production since May 2014 and no sales revenue since December 2014. The key focus at KM remains: ensuring the safety of C&M personnel and the security of the project assets; maintaining idled plant and equipment in a fit state of readiness to facilitate a rapid restart of operations when a decision is made to do so; maintaining legal and social obligations encompassing community relations, environmental and radiological monitoring; and treating and discharging surplus water stocks at KM to reduce KM's water balance prior to the onset of the next rainfall season.

During production, rainfall run-off water captured in the operational area was stored on site and was recycled for use in processing of uranium ore. Since the operation went on C&M, this has no longer been occurring, necessitating the controlled release of treated water in order to reduce KM's water balance prior to the onset of the next rainfall season. PAL modified a section of the KM processing plant to treat water to remove contaminants prior to release to meet internationally recognised standards.

PAL's license to treat and release water was renewed by the GoM in December 2016 for the 2017 wet season, with the GoM maintaining the prior strict conditions regulating critical water quality parameters, including the World Health Organization ("WHO") drinking water guideline for uranium content. Controlled treated water release was not required for the 2017 wet season due to low rainfall. Comprehensive monitoring of samples has been undertaken upstream and downstream from KM. At 30 June 2017 water inventories had reduced in the two major storage ponds and the dams are on track to reach their pre-wet season targets and are well below the levels for the same period last year. A new application to treat and discharge water for the 2017/18 was submitted in June in preparation for the expiry of the current license on the 9th of December 2017.

A feasibility study for recommencement of production at KM was completed in 2017, with results showing that KM remains a valuable strategic asset that can be quickly returned to production when justified by a higher uranium price environment. This study will be reviewed and updated in 2018.

Mineral Resources and Ore Reserves Estimation

Mineral Resources and Ore Reserves are unchanged from those reported in 2014. As part of the Kayelekera re-start study it is expected that an updated Mineral Resource will be completed which will incorporate previous drilling undertaken to the west of the current pit. This extensional drilling only intersected mineralisation at depth and, given the current and projected uranium prices, this is not expected to contribute to additional Ore Reserves.

Mineral Resources and Ore Reserves conforming to the JORC(2004) code and NI43-101 are detailed below.

Mineral Resource at 300ppm U_3O_8 Cut-off

	Mt	**Grade ppm U_3O_8**	**t U_3O_8**	**Mlb U_3O_8**
Measured	0.74	1,011	753	1.66
Indicated	12.71	700	8,901	19.62
Total Measured & Indicated	**13.45**	**717**	**9,654**	**21.28**
Stockpiles	**1.59**	**756**	**1,199**	**2.64**
Inferred	**5.35**	**625**	**3,334**	**7.35**

(Figures may not add due to rounding and are quoted inclusive of any Ore Reserves and are depleted for mining to end of June 2014 when mining ceased).

The Mineral Resource estimate is based on Multi Indicator Kriging techniques with a specific adjustment based on parameters derived from the mining process.

Ore Reserves

Economic analysis on this Mineral Resource has indicated a break-even cut-off grade of 400ppm U_3O_8.

Ore Reserve at 400ppm U_3O_8 Cut-off

	Mt	Grade ppm U_3O_8	t U_3O_8	Mlb U_3O_8
Proved	0.39	1,168	457	1.00
Probable	5.34	882	4,709	10.38
Stockpiles	1.59	756	1,199	2.64
Total	**7.32**	**870**	**6,365**	**14.03**

(Figures may not add due to rounding and are depleted for mining to end of June 2014).

The underlying Ore Reserve is unchanged from that announced in 2008 and has only been depleted for mining until 30 June 2014 (when mining ceased).

Exploration

The exploration group continues to work in areas close to the mine in order to identify any additional targets within easy access of the processing plant. Whilst mineralised areas have been identified these are not currently considered attractive enough to warrant drilling. This activity is expected to continue until all the Karoo sandstone outcrop areas within the vicinity have been covered.

The GoM has recently implemented a new Cadastral system and is in the process of introducing a new mining act. The company has renewed the applications for additional licenses in the area adjacent and to the south of the mine and is in negotiation with existing coal license holders in the area to gain access to the land in order to fulfil tenement application requirements.

CANADA

MICHELIN PROJECT

Paladin, through its wholly-owned subsidiary Aurora, holds rights to 91,500 hectares 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 completed the acquisition of Aurora in February 2011 and, in March 2012, the Nunatsiavut Government, a regional, aboriginal government formed in 2005, lifted the three year moratorium on the mining, development and production of uranium on Labrador Inuit Land. Five of Paladin's six deposits in this project area fall within these lands. The largest of these deposits is Michelin, the flagship of Aurora's CMB project and one of the world's top five albitite-hosted resources. Paladin started exploration in the summer of 2012. Aurora claims cover a significant area of prospective ground over the CMB.

Following a review of the underlying data and geological assumptions that went into both the Michelin and Jacques Lake mineral resource estimations, both have now been re-estimated with the updated results reported below. There were alterations to the Michelin geological model at depth which have resulted principally in the reduction in the amount of Inferred category material contained in the mineral resource. Additionally there has been a slight transfer of Indicated material into Measured. The transition point between potential open pit and underground mining has been maintained as per the previous mineral resource estimate as has the cut-off grade. The overall grade has been reduced slightly due to the application of different resource recovery and estimation parameters. On 26 June 2014, Paladin announced a revised Mineral Resource Estimate for the Michelin Deposit, conforming to both JORC (2012) Code and NI43-101.

Michelin Mineral Resource Estimate at 200ppm U_3O_8 cut-off.

	Previous Mineral Resource			Updated Mineral Resource		
Class	**Tonnes M**	**Grade ppm**	**Metal t**	**Tonnes M**	**Grade ppm**	**Metal t**
Measured	15.6	995	15,458	17.6	965	17,045
Indicated	21.9	1,035	22,701	20.6	980	20,225
Measured & Indicated	**37.5**	**1,015**	**38,159**	**38.3**	**975**	**37,270**
Inferred	8.8	1,180	10,378	4.5	985	4,470
Total	**46.3**	**1,050**	**48,537**	**42.8**	**975**	**41,740**

Effective date of resources is 30 June 2017.

The deposit remains open at depth and it is expected that future drilling will be targeted at this area in order to improve the overall project economics.

A detailed review of the Jacques Lake data was undertaken and an updated geological model has now been completed. It is felt that this model more accurately reflects the underlying geology and mineralisation than the previous version, particularly with regard to the positioning of un-mineralised intrusive elements. The most recent work also indicates that the mineralisation has a significant apparent plunge component which was not previously accounted for in the drilling and, as a result, the mineralisation has the potential to remain open at depth along strike. Due to the particular surface topography overlying the Jacques Lake deposit, a review of the positioning of the open pit/underground interface was undertaken. The vertical location of the base of the open pit portion of the model is particularly critical in the case of the Jacques Lake deposit in that it has the potential to add or subtract resource tonnes and metal due to the change in cut off grades from open pit to underground mining. Pit optimisation studies were carried out using a range of uranium prices with mining and processing costs being derived from the original 2009 Aurora preliminary economic analysis with appropriate CPI inflation allowance. Due to the location of Jacques Lake away from the Michelin deposit additional costs were allocated to transport of material which resulted in an overall increase in the cut-off grade applied to the mineral resource. The updated cut-off grade is now set at 250ppm U_3O_8.

The open pit interface derived from the pit optimisation studies is now set at approximately -30m RL and, due to the spatial distribution of the existing drilling, this has resulted in minimal material falling into the underground mineable portion of the resource. Due to this situation underground mineable material has now been excluded from the mineral resource estimate however it is believed that, based on the updated geological model, additional drilling will result in more material falling into this category.

Jacques Lake Mineral Resource Estimate at 250ppm U_3O_8 cut-off

	Previous Mineral Resource			Updated Mineral Resource		
Class	**Tonnes M**	**Grade percent**	**Metal t**	**Tonnes M**	**Grade ppm**	**Metal t**
Measured	0.9	0.09	747	-	-	-
Indicated	6.0	0.07	4,327	13.0	630	8,145
Measured & Indicated	**6.9**	**0.07**	**5,074**	**13.0**	**630**	**8,145**
Inferred	8.1	0.05	4,103	3.6	550	1,988
Total	**15.0**	**0.06**	**9,177**	**16.6**	**610**	**10,133**

Effective date of resources is 30 June 2017.

Both of the updated mineral resource estimates were completed using multi-indicator kriging techniques with a specific resource recovery adjustment applied. Additional pit optimisation studies were not completed for the Michelin resources as there were no material changes to the previous parameters used to define the open pit/underground interface and the only substantive change to the mineral resource was the reduction in Inferred material at depth.

Additional Potential

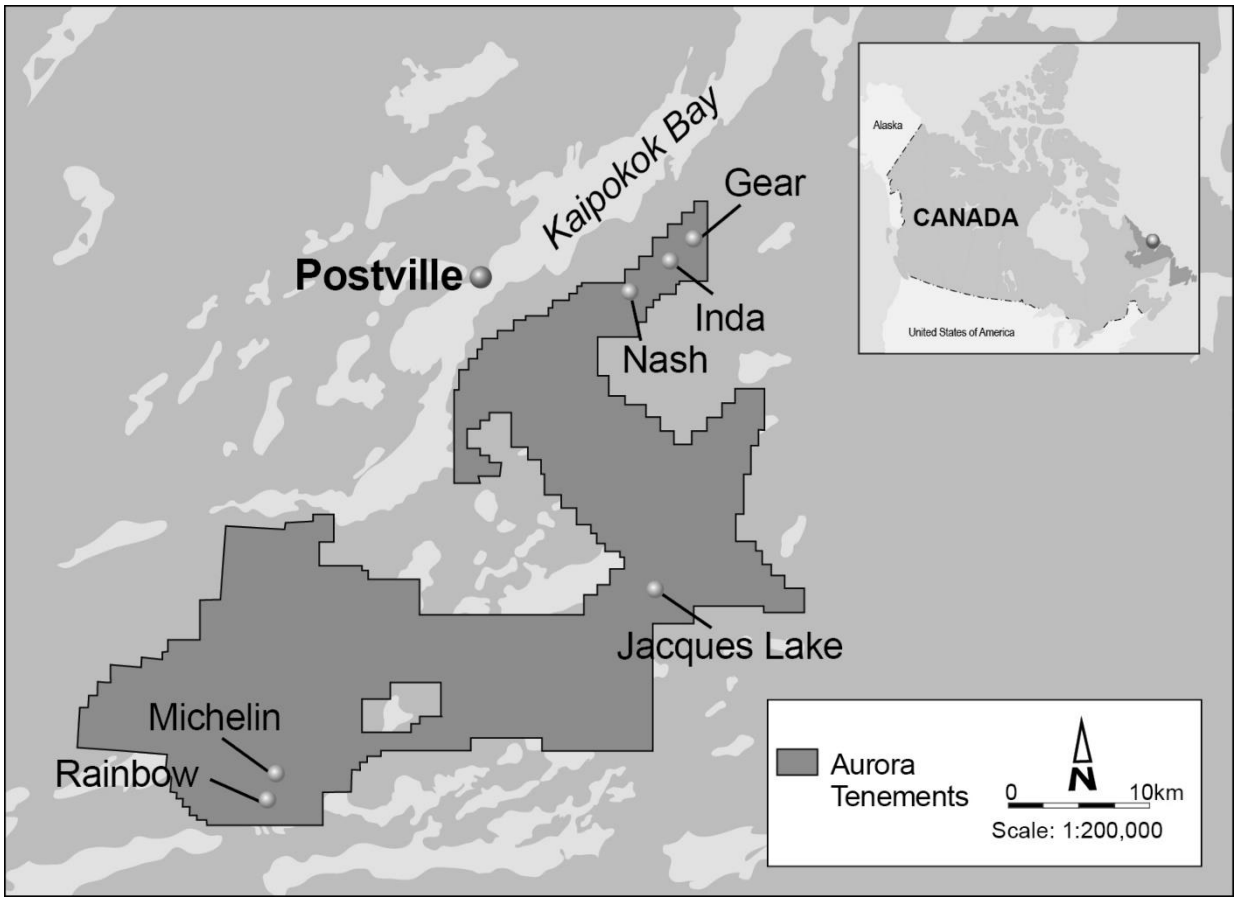
The Michelin Deposit is still open along strike and at depth. Drilling programmes have already been designed to both infill and extend the existing Mineral Resource and these will be executed when conditions allow. In addition, there are also a number of promising targets within the MRT and wider CMB, which are currently being explored and are expected to contribute to the economic viability of the project. Mineral Resources for deposits within the Michelin project are detailed below.

Deposit	**Measured Mineral Resource**			**Indicated Mineral Resource**			**Inferred Mineral Resource**		
Cut-off 0.05% & 0.02% U_3O_8	**Mt**	**Grade %**	**t U_3O_8**	**Mt**	**Grade %**	**t U_3O_8**	**Mt**	**Grade %**	**t U_3O_8**
Michelin	17.6	0.10	17,045	20.6	0.10	20,225	4.5	0.10	4,470
Jacques Lake				13.0	0.06	8,145	3.6	0.06	1,988
Rainbow	0.2	0.09	193	0.8	0.09	655	0.9	0.08	739
India				1.2	0.07	826	3.3	0.07	2,171
Nash				0.7	0.08	564	0.5	0.07	367
Gear				0.4	0.08	270	0.3	0.09	279
Total	**17.8**	**0.10**	**17,238 (38.0Mlb)**	**36.6**	**0.08**	**30,685 (67.6Mlb)**	**13.1**	**0.08**	**10,014 (22.1Mlb)**

Effective date of resources is 30 June 2017.

(Figures may not add due to rounding).

The Mineral Resources for the deposits are reported at cut-off grades that contemplated underground (0.05% U_3O_8 cut-off) and open pit (0.025% for Jacques Lake and 0.02% for the remainder, U_3O_8 cut-off) mining, based on preliminary economic assumptions carried out by Aurora.



On 22 June 2015 Paladin received notification from the Canadian Government that its submission to be the majority owner of a uranium mine at the Michelin Project had been approved. Under the current Non-Resident Ownership Policy (NROP), non-resident mining companies can own 100% of an exploration project but, by the stage of first production, there must be a minimum level of Canadian resident ownership in individual uranium mining projects of 51%.

This posed an obvious limitation to the Michelin Project. Given the Company's global mining experience and reputation, it has always considered itself as an owner/operator of its uranium projects. The granting of an exemption from NROP allowing Paladin to proceed eventually to production at the Michelin Project will permit Paladin to introduce a suitable minority joint venture partner at the appropriate time should this be desired.

EDF security

On 29 November 2017, the Company announced that EDF had issued a demand for approximately US$277M under guarantees which had been given by several of the Company's subsidiaries (PEC, PCI and Aurora) in connection with the Long Term Supply Contract. These subsidiaries have provided security to EDF over their 60.1% interest in Michelin.

Paladin is currently assessing the validity of the demand issued by EDF. On 1 December 2017, each of the entities filed a NOI under the *Bankruptcy and Insolvency Act (Canada)* for a stay of proceedings against their creditors, including EDF.

As announced by Paladin on 22 December 2017, EDF has sold its claims against Paladin and certain of Paladin's Canadian subsidiaries to Deutsche Bank AG, London Branch ("Deutsche Bank") (and other purchasers). It is not yet clear whether Deutsche Bank, or any other purchaser of EDF's claims will seek to enforce any interest in the Michelin security which might have been assigned to it by EDF.

QUEENSLAND

In early 2015, the Queensland Government reinstated the previous ban on uranium mining. This decision has caused Paladin to slow the development of its uranium holdings in the Mount Isa region of northwest Queensland.

Paladin has an 82.08% majority shareholding in Summit acquired in 2007. Summit's wholly-owned subsidiary, Summit Resources (Aust) Pty Ltd ("SRA"), operates the Isa Uranium Joint Venture ("IUJV") and the Mount Isa North Project ("MINP"). Additionally, the company wholly owns the Valhalla North Project ("VNP") immediately to the north of the MINP area.

The three projects include 10 deposits containing 106.2Mlb U_3O_8 Measured and Indicated Mineral Resources as well as 42.2Mlb U_3O_8 Inferred Mineral Resources. The bulk of the mineralisation is concentrated in the Valhalla deposit. Of this, 95.8Mlb U_3O_8 Measured and Indicated Mineral Resources as well as 37.4Mlb U_3O_8 Inferred Mineral Resources are attributable to Paladin. 51.4% of the Mineral Resources are located at Valhalla; the rest is distributed over the Bikini, Skal, Odin, Andersons, Mirrioola, Watta, Warwai, Duke Batman and Honeypot deposits. The table below lists JORC(2004) and NI 43-101 compliant Mineral Resources by deposit, on a 100% project basis.

Deposit[1]		**Measured & Indicated Mineral Resources**			**Inferred Mineral Resources**			**Paladin Attribution**
	Cut-off ppm U_3O_8	**Mt**	**Grade ppm**	**t U_3O_8**	**Mt**	**Grade ppm**	**t U_3O_8**	
Valhalla*	230	34.7	830	28,778	9.1	645	5,824	91.0%
Skal*	250	14.3	640	9,177	1.4	520	708	91.0%
Odin*	250	8.2	555	4,534	5.8	590	3,430	91.0%
Bikini*	250	5.8	497	2,868	6.7	495	3,324	82.0%
Andersons*	250	1.4	1,449	2,079	0.1	1,640	204	82.0%
Watta	250				5.6	405	2,260	82.0%
Warwai	250				0.4	365	134	82.0%
Mirrioola	250				2.0	555	1,132	82.0%
Duke Batman*	250	0.5	1,370	728	0.3	1,100	325	100%
Honey Pot	250				2.6	700	1,799	100%
Total		**64.9**	**742**	**48,164**	**34.0**	**565**	**19,140**	
Total Resource Attributable to Paladin		**58.5**	**743**	**43,470 (95.8Mlb)**	**29.8**	**570**	**16,983 (37.4Mlb)**	

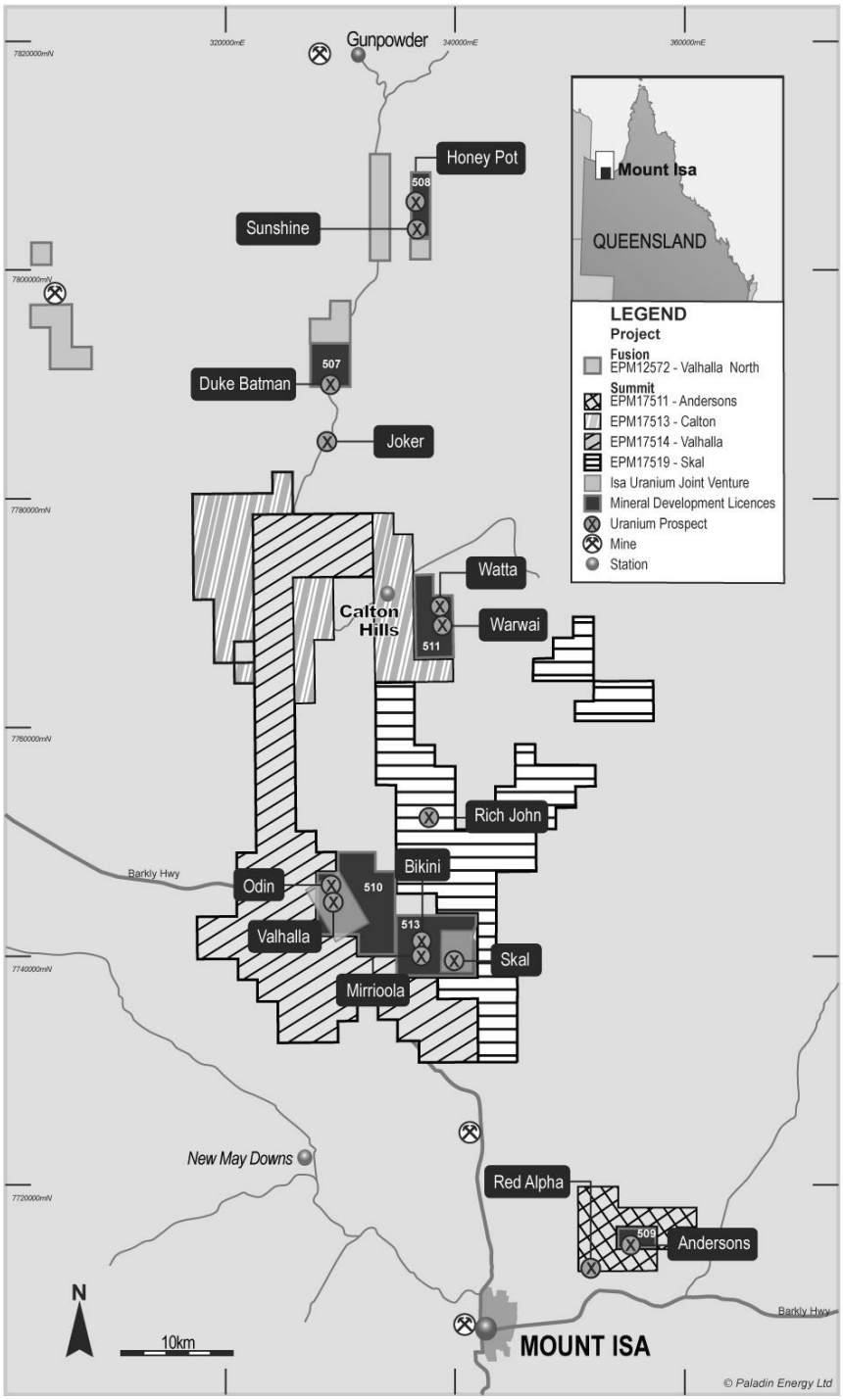
Effective date of resources are as follows: Valahalla – 19 October, 2010, Skal – 30 April, 2012, Odin – January 16, 2012, Bikini-April 15, 2011, Andersons – 15 March, 2012, Watta – January 29, 2013, Warwai- January 29, 2013, Mirrioola – March 15, 2012, Duke-Batman – August 31, 2011, Honey Pot – December 5, 2008

(Figures may not add due to rounding).

** Deposits estimated using Multiple Indicator Kriging within a wireframe envelope. All other Mineral Resources are estimated using Ordinary Kriging with an appropriate top cut. Data for all deposits is a combination of geochemical assay and downhole radiometric logging.*

Metallurgical test work on all the deposits completed previously has, to a large extent, validated the previous assumptions. The mineralisation from all of the deposits can be radiometrically sorted to a greater or lesser extent with no appreciable increase in deleterious gangue materials. Other forms of mineral sorting may be trialled in the future to improve the sorting efficiency of some of the deposits. Follow on alkaline leach test work also indicates that the material from all of the deposits can be leached using this methodology, though with variable levels of uranium recovery broadly in line with the work previously undertaken. Work in the future will be focussed on optimising the potential flow sheet, improving recoveries in both the sorting and leach steps and analysing reagent consumption in order to better define the economics of all of the projects.

The exploration is managed through separate projects, the locations are shown in the following map and details are as follows:



ISA URANIUM JOINT VENTURE ("IUJV")

SRA 50% and Manager

Valhalla Uranium Pty Ltd ("VUL") 50%

The IUJV covers ground containing the Valhalla, Odin and Skal uranium deposits 40km north of Mount Isa. Mineral Resource estimates are included in the table on the previous page.

Participants in the joint operation are SRA and VUL, each holding a 50% interest, with SRA as manager. VUL was formerly a public company and is now a wholly-owned subsidiary of Paladin. Paladin's effective participating interest in the IUJV is 91.04% through its ownership of 82.08% of the issued capital of Summit.

Ground subject to the IUJV covers 17.24km^2 at Valhalla and 10km^2 at Skal. These two areas lie within a larger holding of contiguous tenements of 934km^2 held 100% and managed by SRA and Paladin as outlined in the map above. Valhalla is now covered by MDL510 and Skal by MDL517 which also includes the Bikini and Mirrioola Deposits.

MOUNT ISA NORTH PROJECT

The MINP is located 10 to 70km north and east of Mount Isa and contains numerous uranium prospects. The area is 100% held and managed by SRA utilising Paladin staff and expertise. Exploration continues on MINP where Summit holds 934km^2 of granted tenements that are prospective for uranium, copper and base metals. In early 2015 the Queensland Government extended the licences for a further three years to 2018. The tenements are centred on the city of Mount Isa. The project includes the Bikini, Mirrioola, Watta, Warwai and Andersons uranium deposits which are covered by MDL's 509, 511 and 513 respectively, as well as numerous other uranium prospects. Mineral Resource estimates are shown in the table on page 17. Planning for a 2,500m drilling programme to be completed on the Round Hill and Elbow prospects, in order to meet tenement expenditure commitments, was completed during the year and the drilling will be undertaken late in the December 2017 quarter. At the same time the drilling is in progress, a low level helicopter magnetic and radiometric survey will be completed in the region to the south west of Valhalla.

VALHALLA NORTH PROJECT

The VNP is located on EPM 12572 and MDL's 507 and 508 totalling 70km^2, situated approximately 80km north of the Valhalla deposit. The geological setting is similar to the Summit/Paladin projects to the south where albitised basalts with interbedded metasediments are mineralised along east-west and north-south structures in Eastern Creek Volcanics. The project includes the Duke Batman and Honey Pot deposits (covered by MDL's 07 and 508 respectively) and Mineral Resource estimates for these deposits are listed in the table on page 17.

QUEENSLAND URANIUM POLITICS

The expectation in Queensland is that a conservative government will strongly support uranium mining while a Labor government (under current policy) will not permit it. After the Labor government was elected in March 2015 it indicated that it would continue to allow exploration for uranium but would not permit mining, this situation is expected to remain until such time as there is a change in government.

WESTERN AUSTRALIA

MANYINGEE URANIUM PROJECT ("Manyingee")

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. Paladin purchased Manyingee in 1998 from Afmeco Mining and Exploration Pty Ltd ("AFMEX"), a subsidiary of Cogema from France.

Between 1973 and 1984, approximately 400 holes were drilled by the previous owners to establish the extent and continuity of the sediment-hosted uranium mineralisation contained in permeable sandstone in paleochannels. Field trials by AFMEX demonstrated that the Manyingee sandstone-hosted uranium deposit is amenable to extraction by in-situ recovery ("ISR").

In 2012, Paladin drilled 96 holes for 9,026m of Rotary Mud and 242m of PQ core. The drilling resulted in a new geological model and on 14 January 2014, Paladin announced an updated Mineral Resource for the Manyingee Project. The Mineral Resource estimate conforms to the JORC(2012) Code and NI43-101.

Mineral Resource Estimate (250ppm U_3O_8 and 0.2m cut-off)

Mineral Resource Category	Tonnes M	Grade ppm U_3O_8	Metal t U_3O_8	Metal Mlb U_3O_8
Indicated	**8.37**	**850**	**7,127**	**15.71**
Inferred	**5.41**	**850**	**4,613**	**10.2**

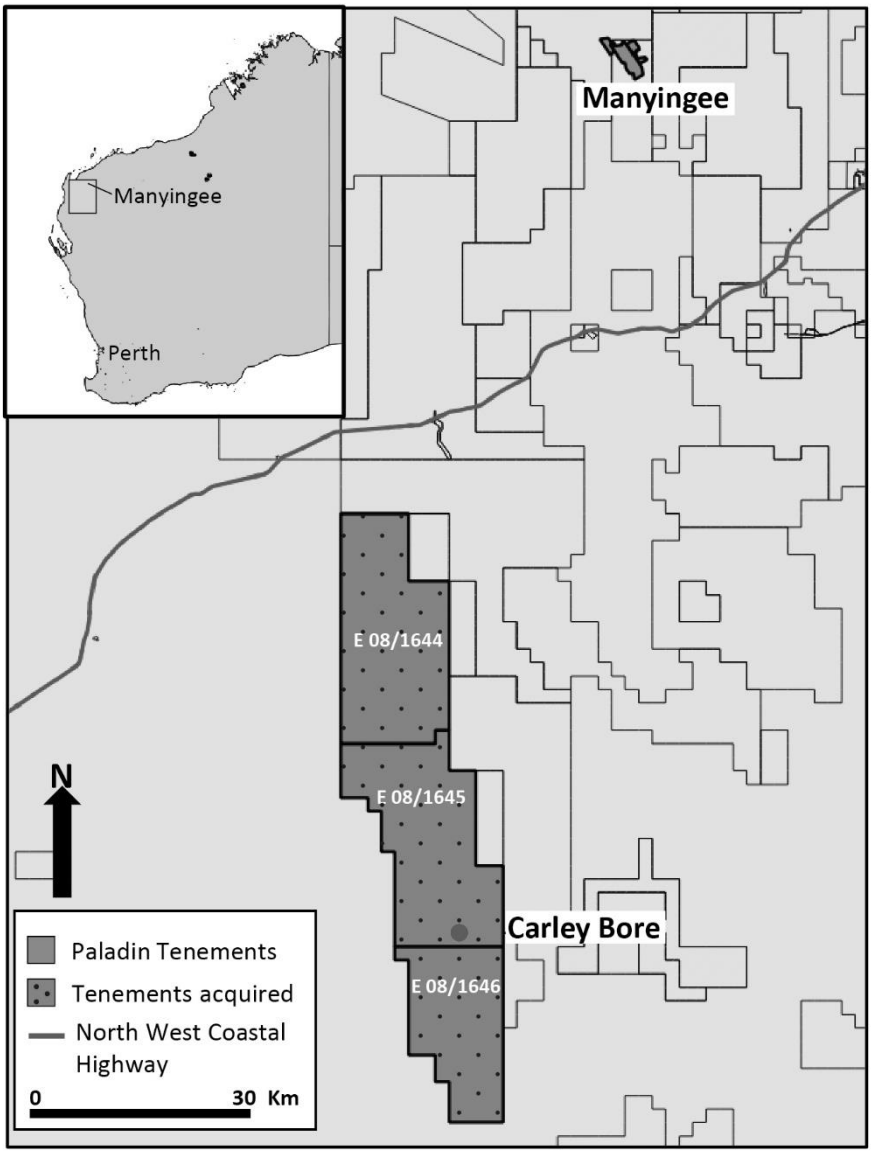
Figures may not add due to rounding.

The geology of the deposit is well understood, having been subject to extensive exploration over a number of years with the stratigraphic sequence being defined by the comprehensive dataset of downhole electric logs. A total of 35 water bores, in place since 2012, are used for ongoing monitoring of physical and chemical properties of the aquifer containing the uranium mineralisation. Paladin believes that the Mineral Resources on the mining leases can be increased and that commencement of production at the project can be achieved within a 4-5 year time frame.

On 21 July 2016 the Company announced that it had signed a binding terms sheet with MGT Resources Limited ("MGT") for it to acquire up to 75% of the Manyingee project in a two stage process. Unfortunately MGT were not able to complete the transaction and the acquisition has now lapsed. The Company has engaged with WWC Engineering ("WWC"), an ISR specialist group in Wyoming USA, to advance the existing scoping studies on the Manyingee project using all the available data. It is expected that, when funds allow, additional test work will be conducted which it is hopes will enable progress towards a pre-feasibility study on the project. The Company believes that, particularly given the previous work completed on the project and the preliminary work by WWC, a full scale field leach trial ("FLT") is probably not warranted and as such the company has halted work on the FLT application.

CARLEY BORE

The Company completed the purchase of the Carley Bore project from Energia Minerals Limited ("EMX") early in FY2016. Consisting of three contiguous exploration licences, this new project area is located 100km south of Manyingee as shown in the location map. The Carley Bore deposit, as estimated by EMX, contains an Indicated Mineral Resource of 5.0Mlb U_3O_8 grading 420ppm and an Inferred Mineral Resource of 10.6Mlb U_3O_8 grading 280ppm (JORC (2012)) at a cut-off grade of 150ppm U_3O_8.



Carley Bore and Manyingee Tenement Package Location

This acquisition has increased the Company's JORC (2012) Indicated Mineral Resources within the area by more than 30% to 20.7Mlb U_3O_8 at a grade of 680ppm, and the Inferred Mineral Resources by more than 100% to 20.9Mlb at a grade of 415ppm. Carley Bore remains open to the North and South and Paladin believes there is excellent potential within this land package to increase this resource base by at least a further 15Mlb to 25Mlb.

Mineral Resource Estimate (150ppm U_3O_8 cut-off)

Mineral Resource Category	Tonnes M	Grade ppm U_3O_8	Metal t U_3O_8	Metal Mlb U_3O_8
Indicated	**5.4**	**420**	**2,268**	**5.0**
Inferred	**17.4**	**280**	**4,825**	**10.6**

The large tenement package contains geology similar to that which hosts the Carley Bore and Manyingee deposits as well as numerous identified regional drill anomalies which offer additional targets warranting follow-

up investigation. The established resource inventory and potential upside of the combined tenement portfolio will ensure that a single ISR facility in the region is able to operate with a long processing life.

The potential to develop a significant mining operation with a long mine life extending well beyond 20 years within a new uranium district is compelling. In-house studies indicate the acquisition of Carley Bore will be value accretive independent of the significant resource upside Paladin considers exploration may deliver.

Exploration drilling was completed in November 2016 with 64 holes drilled for 4,982.5m and confirmed the tenor of the exiting EMX resource drilling at Carley bore. As all of the drill holes in this programme were logged with both down hole radiometric and prompt fission neutron tools, a more reasonable estimation of the local disequilibrium within the deposit can be estimated. A number of exploration holes were drilled on E 08/1644 in order to locate the projected redox front on the most northerly portion of the project area. Information from this drilling will be used to plan a more detailed exploration programme expected to be undertaken in the latter half of CY2018.

Oobagooma uranium project (Oobagooma), Bigrlyi Joint Venture (BJV) and Angela – Pamela Project (Angela)

On 14 December 2016 the company announced the sale of non-core assets in the form of Oobagooma, Angela and its share of the BJV to Uranium Africa Limited. The sale also included a number of historical applications for tenements located in the Northern Territory.

MINERAL RESOURCE AND ORE RESERVE SUMMARY

The following tables detail the Company's Mineral Resources and Ore Reserves and the changes that have occurred within FY2017. The only changes to Mineral Resource and Ore Reserve information were due to a combination of Mineral Resource updates in incorporate additional drilling, depletion for mining to 30 June 2017 at Langer Heinrich as well as minor reductions due to the establishment of in-pit tailings facilities which have sterilised some mined-out areas within the resource/reserve, the surrender of tenements in Niger and the addition of a number of small deposits in the Joint Venture with Energy Metals. There were no other material changes to the Company's Mineral Resources and Ore Reserves.

Mineral Resources		30 June 2016 M tonnes	grade % U_3O_8	Metal t	30 June 2017 M tonnes	grade % U_3O_8	Metal t	Change M tonnes	Metal t
Canada									
Measured	Jacques Lake	0.86	0.087	747	-	-	-	-0.86	-747
	Michelin	15.57	0.099	15,458	17.62	0.097	17,045	+2.05	+1,587
	Rainbow	0.21	0.092	193	0.21	0.092	193	-	-
Indicated	Gear	0.35	0.077	270	0.35	0.077	270	-	-
	Inda	1.2	0.069	826	1.2	0.069	826	-	-
	Jacques Lake	6.04	0.072	4,327	12.96	0.063	8,145	+6.92	+3,818
	Michelin	21.93	0.104	22,701	20.65	0.098	20,225	-1.28	-2,476
	Nash	0.68	0.083	564	0.68	0.083	564	-	-
	Rainbow	0.76	0.086	655	0.76	0.086	655	-	-
Inferred	Gear	0.3	0.093	279	0.3	0.093	279	-	-
	Inda	3.26	0.067	2,171	3.26	0.067	2,171	-	-
	Jacques Lake	8.1	0.051	4,103	3.61	0.055	1,988	-4.49	-2,115
	Michelin	8.81	0.118	10,378	4.54	0.099	4,470	-4.27	-5,908
	Nash	0.51	0.072	367	0.51	0.072	367	-	-
	Rainbow	0.91	0.082	739	0.91	0.082	739	-	-
Malawi									
Measured	Kayelekera	0.74	0.101	753	0.74	0.101	753	-	-
Indicated		12.71	0.070	8,901	12.71	0.070	8,901	-	-
Inferred		5.35	0.062	3,334	5.35	0.062	3,334	-	-
Stockpiles		1.59	0.076	1,199	1.59	0.076	1,199	-	-
Namibia									
Measured	Langer Heinrich	64.34	0.052	33,216	60.71	0.051	31,169	-3.63	-2,047
Indicated		21.48	0.046	9,845	21.48	0.046	9,854	-	+9
Inferred		8.70	0.047	4,069	8.70	0.047	4,073	-	+4
Stockpiles		33.85	0.039	13,237	33.90	0.038	12,915	+0.05	-322
Australia									
Measured	Valhalla	16.02	0.082	13,116	16.02	0.082	13,116	-	-
Indicated	Bigrlyi	4.7	0.136	6,400	-	-	-	-4.7	-6,400
	Andersons	1.4	0.145	2,079	1.4	0.145	2,079	-	-
	Bikini	5.77	0.050	2,868	5.77	0.050	2,868	-	-
	Duke Batman	0.53	0.137	728	0.53	0.137	728	-	-
	Odin	8.2	0.055	4,534	8.2	0.055	4,534	-	-
	Skal	14.3	0.064	9,177	14.3	0.064	9,177	-	-
	Valhalla	18.64	0.084	15,662	18.64	0.084	15,662	-	-
	Carley Bore	5.4	0.042	2,268	5.4	0.042	2,268	-	-
	Manyingee	8.37	0.085	7,127	8.37	0.085	7,127	-	-
Inferred	Angela	10.7	0.131	13,980	-	-	-	-10.7	-13,980
	Bigrlyi	2.8	0.114	3,200	-	-	-	-2.8	-3,200
	Andersons	0.1	0.164	204	0.1	0.164	204	-	-
	Bikini	6.7	0.049	3,324	6.7	0.049	3,324	-	-
	Hill One	0.01	0.021	2	-	-	-	-0.01	-2
	Karins	1.2	0.056	691	-	-	-	-1.2	-691
	Sundberg	0.26	0.028	72	-	-	-	-0.26	-72
	Walbiri	5.1	0.064	3,226	-	-	-	-5.1	-3,226
	Duke Batman	0.29	0.110	325	0.29	0.110	325	-	-
	Honey Pot	2.56	0.070	1,799	2.56	0.070	1,799	-	-
	Mirrioola	2	0.056	1,132	2	0.056	1,132	-	-
	Odin	5.8	0.059	3,430	5.8	0.059	3,430	-	-
	Skal	1.4	0.052	708	1.4	0.052	708	-	-
	Valhalla	9.1	0.064	5,824	9.1	0.064	5,824	-	-
	Watta	5.6	0.040	2,260	5.6	0.040	2,260	-	-
	Warwai	0.4	0.036	134	0.4	0.036	134	-	-
	Carley Bore	17.4	0.028	4,825	17.4	0.028	4,825	-	-
	Manyingee	5.41	0.085	4,613	5.41	0.085	4,613	-	-

Ore Reserves		30 June 2016 M tonnes	30 June 2016 grade % U_3O_8	30 June 2016 Metal t	30 June 2017 M tonnes	30 June 2017 grade % U_3O_8	30 June 2017 Metal t	Change M tonnes	Change Metal t
Malawi	Kayelekera								
Proven		0.39	0.117	457	0.39	0.117	457	-	-
Probable		5.34	0.088	4,709	5.34	0.088	4,709	-	-
Stockpiles		1.59	0.076	1,199	1.59	0.076	1,199	-	-
Namibia	Langer Heinrich								
Proven		44.90	0.053	23,725	41.97	0.052	21,997	-2.93	-1,748
Probable		13.14	0.049	6,361	13.14	0.048	6,366	-	+5
Stockpiles		33.85	0.039	13,237	33.90	0.038	12,915	+0.05	-322

Mineral Resources and Ore Reserves quoted on a 100% basis.

All of the Company's Mineral Resources and Ore Reserves are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Should any Mineral Resources or Ore Reserves be utilised within a Bankable or Definitive Feasibility Study, it is expected that an audit by independent experts would be conducted. For both mine sites, ongoing reconciliations between Mineral Resource, Ore Reserve, Mining Production and Mill Feed tonnes and grade are completed on a regular basis and, to date, there have been no material differences identified in any of these processes.

The information above relating to exploration, mineral resources and ore reserves is, except where stated, based on information compiled by David Princep B.Sc P.Geo FAusIMM(CP) who is a member of the AusIMM. Mr Princep has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person as defined in NI43-101. Mr Princep is a full-time employee of Paladin and consents to the inclusion of this information in the form and context in which it appears.

URANIUM DATABASE

Paladin owns a substantial uranium database compiled over 30 years of investigations by the international uranium mining house Uranerzbergbau in Germany, incorporating all aspects of the uranium mining and exploration industry worldwide and including detailed exploration data for Africa and Australia.

Since acquiring this substantial uranium database, which consists of extensive collections of technical, geological, metallurgical, geophysical and geochemical resources, including resource evaluations, drill hole data, downhole logging data, airborne radiometric survey results, open-file data, and photographic archives, the Company has maintained and expanded this valuable library of data.

The data continues to be utilised by the Company as an asset for project generation to evaluate opportunities and generate new uranium prospects and projects for acquisition and exploration.

DEEP YELLOW LTD ("DYL")

On 14 December 2016 the company announced the sale of its stake in DYL, an ASX-listed, Namibian-focussed advanced stage uranium exploration company.

RECENT DEVELOPMENTS IMPACTING THE GROUP

Deutsche Bank Facility

On 21 July 2017, Paladin announced it had entered into agreements with Deutsche Bank to fund working capital for the LHM, refinance the Nedbank Revolving Credit Facility and meet the general corporate purposes of the Group.

Under the agreements, Deutsche Bank acquired the existing Nedbank Revolving Credit Facility and increased the size of the facility from US$20M to US$60M ("Deutsche Bank Facility"). Under the terms of the Deutsche Bank Facility, LHUPL drew down US$45M for its working capital (including the US$20M already drawn) and Paladin and Paladin Finance drew down US$15M.

Paladin and Paladin Finance are jointly and severally liable for the entire facility and LHUPL is only liable for the amounts drawn-down. The entire facility is guaranteed by Paladin and Paladin Finance. The term of the Deutsche Bank Facility is 12 months. Additional security has been given to that provided under the Nedbank Revolving Credit Facility.

Part of the US$115M raised from the Notes being issued under this Offering Circular will be used by Paladin to acquire the Deutsche Bank Facility. While the amount of the loan will remain outstanding, it will become an inter-company loan within the Group.

Update with regards to the COUH option to acquire Paladin's 75% interest in the LHM

As previously announced by Paladin, in March 2017 CNNC Overseas Uranium Holdings Limited ("COUH") issued a notice to Paladin requesting that Paladin commence a process under the LHM Shareholders Agreement in order to determine the fair market value of Paladin's share of LHM. The fair value determination process would be the first step in a process that may lead to COUH exercising a potential option, which, if validly exercised, could entitle COUH to acquire Paladin's 75% interest in LHM.

On 21 August 2017, Paladin announced that COUH had informed Paladin it had decided not to exercise its potential option.

Please refer to the below Risk Factor entitled "*LHM Call Option*" for further details regarding the current status of the potential option.

Termination by EDF of the Long Term Supply Contract, exercise security

Pursuant to a Long Term Supply Contract with EDF, EDF made a pre-payment of US$200M which it was entitled to be repaid in certain default circumstances, including where the value of the security offered by Paladin to EDF was not sufficient.

On 13 October 2017, the Company announced that EDF had given notice terminating the Long Term Supply Contract following a default on the basis that the Company had failed to repay the initial pre-payment plus interest (approximately US$277M) by 9 October 2017, being the due date for cure of the default.

On 29 November 2017, the Company announced that EDF had issued a demand for approximately US$277m under guarantees which had been given by several of the Company's subsidiaries (PEC, PCI and Aurora) in connection with the Long Term Supply Contract. These subsidiaries have provided security to EDF over their 60.1% interest in the Michelin Project. Paladin is currently assessing the validity of the demand issued by EDF. On 1 December 2017, each of the entities filed a NOI under the *Bankruptcy and Insolvency Act (Canada)* for a stay of proceedings against their creditors, including EDF.

On 20 December 2017, EDF advised Paladin that it intended to sell (by way of assignment) all of its claims against the Group to Deutsche Bank. The sale completed on 21 December 2017 and since that time Deutsche Bank has been on-selling some of the claims acquired from EDF. It is not yet clear whether Deutsche Bank, or any other purchaser of EDF's claims will seek to enforce any interest in the Michelin security which might have been assigned to it by EDF.

Director appointment rights

On 22 January 2018 Paladin entered into an agreement Tembo Mining GP Limited granting them the right (but not the obligation) to appoint a director to the board of Paladin for so long as they hold a voting power in Paladin of at least 10%.

On 30 January 2018 Paladin entered into an agreement with HOPU Clean Energy (Singapore) Pte. Ltd granting them the right (but not the obligation) to appoint a director to the board of Paladin for so long as they hold a voting power in Paladin of at least 10%.

DIRECTORS

The following persons are the directors of Paladin:

Mr Rick Wayne Crabb *B. Juris (Hons), LLB, MBA, FAICD*

(Non-executive Chairman)

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and a Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law and advised in relation to numerous project developments in Australia, Asia and Africa. Mr Crabb now focuses on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies in mining, oil & gas and real estate development. He is also a non-executive director of Eagle Mountain Mining Limited (since September 2017), Thundelarra Limited (since November 2017) and was a non-executive director of Golden Rim Resources Ltd (from August 2001 to November 2017) and was non-executive chairman of Otto Energy Ltd (from November 2004 to November 2015) and Lepidico Ltd (formerly Platypus Minerals Ltd) (from September 1999 to October 2015).

Mr Crabb was appointed to the Paladin Board on 8 February 1994 and as Chairman on 27 March 2003.

Special Responsibilities

Chairman of the Board

Member of Remuneration Committee from 1 June 2005

Member of Nomination Committee from 1 June 2005

Member of Sustainability Committee from 25 November 2010

Mr David Noel Riekie *BEcon, Dip Acc, CA. MAICD*

(Non-executive director)

David is an experienced ASX director at both the Executive and Non-Executive levels.

He has operated in a variety of counties globally and throughout Africa; notably Namibia and Tanzania. He is Managing Director of junior explorer iCobalt Limited which is focussed on high grade cobalt in Ontario, Canada.

He has throughout his career provided corporate, strategic and compliance services to a variety of organisations operating in the Resource and Industrial sector, usually enterprises seeking expansion capital and listing on ASX. He has been directly responsible for successful capital raising, stakeholder engagement, acquisition and divestment programs. Additional experience was gained during his time as a corporate reconstruction specialist with Price Waterhouse. He has overseen, exploration and resource development, scoping and feasibility studies, production, optimisation and rehabilitation initiatives.

He has special interest in the energy and energy storage sector, primarily through energy storage minerals and commodities with specific knowledge of uranium (Uranio Limited), oil and gas (Hawkley Oil and Gas), graphite (Battery Minerals Limited) and cobalt (iCobalt Limited).

David has previously operated as either Chairman or member of the Audit, Risk, Remuneration and Nomination Committees.

Daniel C Harris *BSc*

(Non-executive director)

Mr Daniel Harris is a seasoned and highly experienced mining executive and director and has most recently held the role of interim CEO and Managing Director of ASX listed Atlas Iron, a mid-sized, independent Australian iron ore mining company with operations in the Northern Pilbara of Western Australia. Daniel remains an Non-Executive Director to the Atlas Iron Board and is Chairman of the Audit and Risk Committee.

Daniel has been involved in all aspects of the industry for over 37 years and held both COO and CEO positions in Atlantic Ltd. The company's subsidiary, Midwest Vanadium, owned a +$500 million-dollar production plant and vanadium mine in Western Australia. As COO, Daniel was tasked with the start-up of the newly constructed vanadium plant and brought it into commercial operation, before moving to the CEO role.

Daniel is also the former Vice President of EVRAZ Plc, Vanadium assets responsible for their global vanadium business. EVRAZ plc is a £4.2 billion publicly traded steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Europe, USA, Canada and South Africa. EVRAZ consolidated vanadium business produced and marketed approximately one quarter of the world's vanadium supply.

Prior to EVRAZ, Daniel held numerous positions with Strategic Minerals Corporation. Throughout his 30 years with the company, he advanced his career from junior engineer, through to CFO and CEO roles within the group.

Daniel is also a Non-Executive Director of Perth based Australian Vanadium who are looking to develop their Gabanintha vanadium deposit in Western Australia.

Daniel is a consultant and member of the Advisory Board of Black Rock Metals. Black Rock Metals is developing a mine in Quebec to produce high purity pig iron, titanium, and vanadium products.

Daniel is the Chief Advisor to the Board of Directors of Queensland Energy Minerals, QEM, based in Brisbane. QEM has a large oil shale and vanadium deposit in Queensland Australia that they are looking to bring into production.

Daniel also acts as a technical executive consultant to GSA Environmental in the UK, a process engineering company that is well credentialed in the vanadium and oil industries. GSAe is the UK's leading technology company for extraction and recovery of metals from ashes, minerals, refinery residues, spent catalyst and industrial by-products.

The following persons are officers of Paladin:

CHIEF EXECUTIVE OFFICER

Mr Alexander Molyneux *BEc*

Mr Molyneux is an experienced mining industry executive. He is Co-Founder and Chairing Member of Azarga Resources Group (2012 – present). Mr. Molyneux currently serves as Non-Executive Chairman of Azarga Metals Corp. (TSX-V:AZR) (May 2016 – present) and Non-Executive Director of Argosy Minerals Limited

(ASX:AGY) (2016 – present). He was previously Executive Chairman of Azarga Uranium Corp (TSX:AZZ) and its predecessor companies (2012 – 2015), Non Executive Director of Goldrock Mines Corp (TSX-V:GRM) (2012 – 2016) and CEO of SouthGobi Resources Limited (Ivanhoe Mines Group) (TSX:SGQ / HKEX:1878) (2009 – 2012). Prior to joining SouthGobi, Mr Molyneux was Managing Director, Head of Metals and Mining Investment Banking, Asia Pacific, with Citigroup. In his position as a specialist resources investment banker he spent approximately 10 years providing advice and investment banking services to natural resources corporations.

COMPANY SECRETARY

Mr Ranko Matic *B.Bus, CA*

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

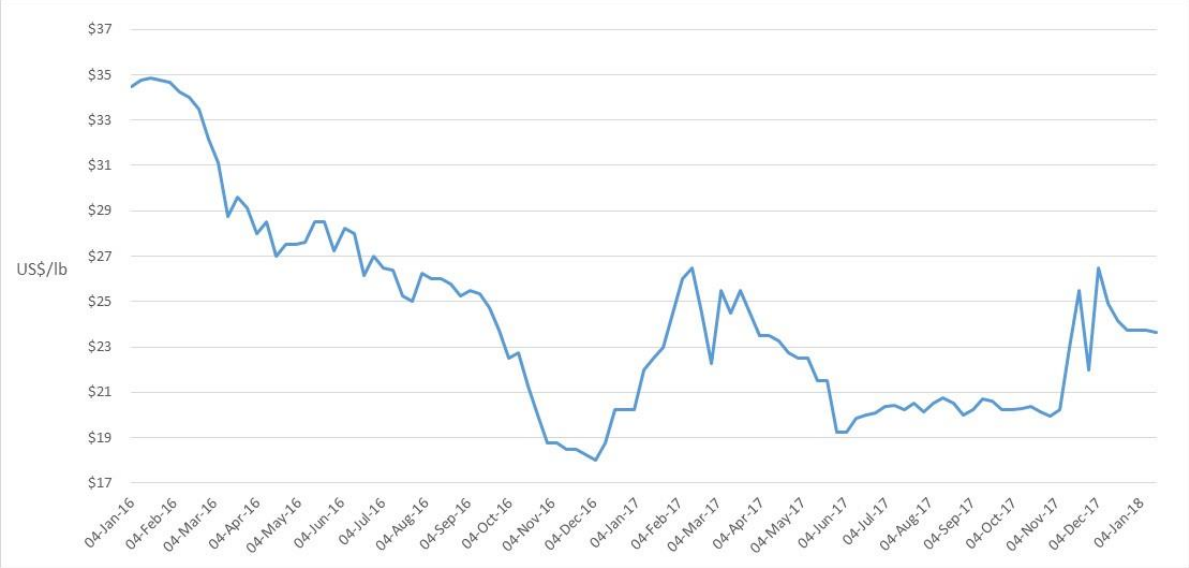
INDUSTRY

Prior to the Japanese earthquake and resulting damage to the Fukushima Daiichi nuclear plant in Japan on 11 March 2011, the spot uranium (U_3O_8) price had rallied to a peak of US$73.00 per pound in February 2011, reflecting the strong demand outlook for new nuclear reactor build-out globally. The long term contract price also peaked at US$73.00 per pound in February 2011.

In response to Fukushima, countries with nuclear programs ordered various safety reviews and, in some cases, stress tests, leading to predictable delays in the licensing and construction of new reactors. Almost seven years after the earthquake, the impact of Fukushima continues to negatively affect the uranium market, but to a decreasing degree.

During 2017, the uranium spot price averaged US$22.17 per pound with a high of US$26.68 per pound achieved on 10 February 2017 and a low of US$19.13 per pound achieved on 5 June 2017. The uranium spot price is currently US$23.25per pound as at 18 January 2018. Prices in the uranium market have remained subdued in 2017 as the industry continues to grapple with oversupply amid uncertainty concerning future demand.

Uranium spot price performance over the past 24 months



Source: Ux Consulting Company - Uranium Weekly Spot Price Indicator.

DEMAND DYNAMICS

As at 1 December 2017, a total of 447 commercial nuclear reactors were connected to grids around the world and an additional 57 reactors under construction. China leads the group with 20 reactors currently under construction, followed by Russia (7), India (6) and the United Arab Emirates with 4. The number of reactors classified by the World Nuclear Association ("WNA") as planned (being those with approvals, funding or commitments in place) is 159, whilst the number of proposed reactors (being those subject to specific programme or site proposals) has risen from 311 a year earlier to 351.

Nuclear demand forecasts for the U.S., France, Japan, China, and South Korea have been the main driver during 2017 and account for a majority of the change to global uranium demand. Political shifts in France and

South Korea have impacted future nuclear plans for these nations. Whilst the cancellation of the VC Summer 2 & 3 expansion in late July, and early shutdown of reactors in deregulated markets due to low-priced natural gas and subsidised renewable energy has taken its toll on U.S. uranium demand.

Despite there having been some positive demand developments in Japan, there are still many unknowns concerning which additional reactors could be approved and obtain the necessary local government consent to restart going forward. The only actual restarts this year were the return to service of Takahama 3 & 4, which were able to get a court injunction against them lifted in April. As at December 2017, there were 42 operable reactors in Japan with five units in operation. Beyond already approved units, there are another 16 reactors that have had their restart applications submitted to the NRA and are currently at some stage of review.

China's commercial nuclear build programme has slowed in recent years with no new reactors having started construction so far in 2017. This compares to six in 2015 and two in 2016. Furthermore, only two new reactors started operation in China, Fuqing 4 and Yangjiang 4, which is much lower than the average of six units per year that started up in the previous three years. The 13th Five-Year Plan formalised in March 2016 included nuclear capacity reaching a target of 58 GWe by the end of 2020 (currently there are 37 reactors operating with a combined installed capacity of 33.7 GWe), plus 30 GWe under construction, with plans for up to 150 GWe by 2030.

SUPPLY DYNAMICS

Global uranium supply for calendar year 2016 was over 162 million pounds, which was 4 million pounds higher than 2015 global uranium production of 158 million pounds. Much of the production increase stemmed from the ramp-up of Cigar Lake production in Canada, higher production from Rio Tinto's ERA and Rössing Uranium, as well as a 2 million-pound increase from Kazakhstan ISR production.

The majority of output in the uranium production sector has largely been driven by projects in Kazakhstan, with the Central Asian nation producing about 39% of global uranium production in 2016. Kazatomprom is Kazakhstan's national producer, importer and exporter of uranium, rare minerals and nuclear fuel.

2017 was the year that uranium producers responded to the oversupply that has marred the industry for the past six years. There were a number of announcements throughout the year including:

1. In January, Kazatomprom cut 2017 Kazakh output by 10% (compared to the previously-planned target level), which took an estimated approximately 5.5 million pounds U3O8 out of the market.
2. In November 2017, Cameco announced it would suspend production at its McArthur River/Key Lake project for up to ten months in 2018, which should remove approximately 15 million pounds $U_3O_8$from the supply side.
3. Other projects have seen announced output reductions, including AREVA NC's SOMAIR mine in Niger, and multiple U.S. ISR projects – Energy Fuels' Nichols Ranch and Ur-Energy's Lost Creek.

The continuously falling uranium price since 2011 has contributed to declining revenues across the production sector, which has resulted in prolonged contraction and consolidation among uranium producers and developers. Consequently, the supply sector has had to adjust to remain sustainable, which has led to production cutbacks and deferrals among producers and placed added pressure on emerging producers and developers.

LONG-TERM URANIUM MARKET

The WNA predicts in its report titled *The Nuclear Fuel Report: Global Scenarios for Demand and Supply Availability 2017-2035*, that global nuclear capacity continues to grow over the period to 2035 under both of its upper and reference scenarios, with installed capacity increasing by 70% and 35% respectively, both of which are higher than growth rates seen over the past 20 years.

Of the 57 reactors currently under construction, 54% are Chinese, Indian or other Asian countries. China completed 27 nuclear reactors between 2007 and 2017 and had 20 new reactors under construction in December

2017. South Korea currently has 24 operating nuclear reactors with three further under construction. The Middle East is also moving towards cleaner nuclear power, with the UAE currently actively building four reactors and Saudi Arabia commencing plans to build nuclear reactors.

Production cuts by Cameco and Kazatomprom have assisted in reducing the forecast uranium surplus in coming years. Moving forward, the uranium price remains below the level to incentivize new or expanded uranium production and will likely need to increase to see any material increase in current global production. Furthermore, sustained downward pressure on uranium prices has placed many existing producers in a tenuous financial position, particularly as existing term contracts expire, which may lead to further production cuts.

RISK FACTORS

There are numerous widespread risks associated with investing in any form of business and with investing in Notes and the share market generally. There are also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. Many of these risk factors are largely beyond the control of the Company and its Directors because of the nature and location of the existing and proposed business activities of the Company.

The risks set out below are not, and should not be considered to be or relied on as, an exhaustive list of the risks relevant to an investment in the Company. The risks outlined are general in nature in that regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Additional risks and uncertainties that the Company is unaware of, or that it does not currently consider to be material, may also become important factors that adversely affect the Company's operating and financial performance or market value of the Notes.

Investors should carefully consider the risks described below before making a decision to invest in the Notes.

INVESTMENT SPECIFIC RISKS

The following summary, which is not exhaustive, outlines some of the major risk factors in respect of an investment in the Notes.

Market for Notes

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. However, there is currently no formal trading market for the Notes and an active trading market may not develop for the Notes after the Offering, or if it develops, such a market may not sustain a price level for the Notes at the Issue Price.

The Issuer is a holding company that has no revenue generating operations of its own and will depend on cash from the operating companies of the Group to be able to make payments on the Notes and the Guarantees

The Issuer is a holding company with no business operations other than management of the equity interests it holds in its subsidiaries. The Issuer is dependent upon the cash flow from its operating subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including its obligations under the Notes and the Guarantees. Given the Group's international operations, it has a large number of operating subsidiaries and business participations, which individually contribute to its results.

Absence of covenant protection

Despite its substantial leverage, the Company may incur additional debt in the future. The Trust Deed permits the Company to incur a certain amount of indebtedness at subsidiaries that do not guarantee the Notes.

Although the Trust Deed will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, the Trust Deed will not prevent the Company from incurring obligations that do not constitute indebtedness under the Trust Deed. Certain Subsidiaries (as defined in the Conditions) of the Company have significant outstanding indebtedness, and may in future incur further indebtedness, including Project Finance Indebtedness. The Company has and may in the future provide second Liens on the Collateral

that rank junior to the Liens on the Collateral that secure the Notes, guarantees and/or indemnities in respect of such indebtedness and Project Finance Indebtedness.

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The terms and conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

The Trustee may request that the Noteholders provide an indemnity and/or pre-funding and/or security to its satisfaction.

In certain circumstances (including the giving of notice to the Company pursuant to Condition 10.2 or the taking of enforcement steps pursuant to Clause 9 (Enforcement of the Trust Deed)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or pre-funding and/or security to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or pre-funded and/or secured to its satisfaction. Negotiating and agreeing to any indemnity and/or pre-funding and/or security can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or pre-funding or security to it, in breach of the terms of the Trust Deed constituting the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed and the applicable law, it will be for the Noteholders to take such actions directly.

Market Price of the Notes

The market price of the Notes will be based on a number of factors, including:

(a) the prevailing interest rates being paid by companies similar to the Company;

(b) the overall condition of the financial and credit markets;

(c) prevailing interest rates and interest rate volatility;

(d) the markets for similar securities;

(e) the financial condition, results of operation and prospects of the Company;

(f) the publication of earnings estimates or other research reports and speculation in the press or investment community;

(g) the market price and volatility of the Ordinary Shares;

(h) changes in the industry and competition affecting the Company; and

(i) general market conditions.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Notes.

Further, as described elsewhere in this Offering Circular, transfers of the Notes will be subject to certain restrictions by the US Securities Act and the securities laws of other jurisdictions.

Exchange rate risks and exchange controls

The Company will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

GENERAL RISKS RELATING TO THE COMPANY'S BUSINESS

The following summary, which is not exhaustive, represents some of the more general major risk factors for the Company's business.

Demand for nuclear generation, competition from alternative energy and public perception

The impact of Fukushima negatively affected the uranium market, principally by reducing demand and impacting the spot price for uranium. 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, including Fukushima. This may have a negative impact on the demand for uranium.

Economic conditions

Economic conditions, both domestic and global, may affect the performance of the Group. 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.

Speculative nature of mineral exploration and development

Development of the Company'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 the Company'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 reserves, commodity prices, exchange rates, construction costs, design requirements, delays in construction and expansion plans.

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

Most of the above factors are beyond the control of the Company.

Production risk

Ongoing production and commissioning of staged expansions to production 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 which could lead to additional equity or debt requirements for the Group. In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or 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 leading to the Company's decision to place the KM on C&M. These potential scope changes and/or cost overruns may lead also 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 difficulties 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 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.

Changes in capital and operating cost estimates

Whilst every care has been made in estimating the capital cost and future operating costs for Paladin's projects, including contingency, the actual cost structure experienced in 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.

The Board and management of Paladin have discretion concerning the use of Paladin's capital resources as well as the timing of expenditures, provided that any budget in respect of projected capital expenditures of the Group, and any deviation thereof in excess of 10% of the budgeted costs for such capital expenditures, shall be approved by no less than 75% of the members of the Board. Capital resources may 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.

Uranium contracts

The Company has entered into sales contracts for offtake of U_3O_8 from Langer Heinrich with large and financially sound customers. The Company faces a risk of non-performance on these contracts as well as potential penalties if it fails to meet its obligations in terms of product quality and/or timing of delivery.

Political stability

The Company's current mining activities are principally conducted in southern Africa. In southern Africa, 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.

Liquidity concerns and future financing

Further exploration and development of the various mineral properties in which the Company holds interests depend upon the Company's ability to obtain financing 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 markets for mineral commodities or the factors affecting financial institutions and other third parties' assessments of the Company 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.

Logistics

Paladin depends on the availability and affordability of reliable transportation facilities, infrastructure and certain suppliers to deliver their 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 transhipment of uranium concentrate through neighbouring countries for export could be subject to disruptions through transhipment licensing delays, political disputes and natural disasters.

Failures in the supply chain for specialist equipment and materials

The Company operates within a complex supply chain depending on suppliers of raw materials, services, equipment and infrastructure to ensure its mines and process plants 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.

Changes in the cost of supply of key inputs

The Company's operations are resource intensive and, as a result, its 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.

Failure to make or integrate acquisitions

The Company's business involves the acquisition and disposal of business ventures or interests in business ventures from time to time. Business combinations entail a number of risks including the effective integration of acquisitions (including the realisation of synergies), significant one-time write-offs or restructuring charges and unanticipated costs and liabilities. All of these may be exacerbated by the diversion of management's attention away from other ongoing business concerns. The Company may also be 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 and other strategic partnerships may not be successful

The Company participates in several joint venture arrangements and it may enter into further joint ventures. Although the Company has sought to protect its interests, existing and future joint ventures necessarily involve special risks. Whether or not the Company holds majority interests or maintains operational control in its joint ventures, 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 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 the Company will be exposed to any failure by participants of a joint venture to which the Company is or may become a party 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 joint venture participants 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.

Uninsurable risks

Paladin seeks to maintain a range of insurance covers for 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.

Mineral Resources and Mineral 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 the JORC Code 2004 or 2012 (as applicable), but they are expressions of judgment from qualified professionals based on knowledge, experience, industry practice and resource modelling. As such, resource and 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 resources and 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, resources and 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 resources cannot be converted into reserves.

Uncertainty relating to Inferred Mineral Resources

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. 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 resources or proven or probable mineral reserves as a result of continued exploration.

Security of tenure

All tenements in which the Company has interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant Ministries in Western Australia, Queensland, Canada, Namibia and Malawi. The maintenance of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining required statutory approvals for proposed activities. While the Company 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.

Australia's uranium policy

At the national level of Australian politics, both the Federal Coalition parties and the Federal Labor Party support 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 State Labor government of South Australia supports existing mines and is receptive to new uranium projects. The State Labor government of the NT also generally supports existing mines and is receptive to new uranium projects.

A State election held in Western Australia ("WA") on 11 March 2017 resulted in the Australian Labor Party coming into power. On 20 June 2017, the State Labor government reintroduced a no-development mining policy. The policy reverses the previous Liberal-National Party coalition's policy allowing for uranium mining in WA over the past eight years. The policy institutes a ban on all future grants of mining leases, with the exception of projects that have been granted State Ministerial approval by the former government.

The State Labor government of Queensland permits uranium exploration, but bans uranium mining. To progress the currently estimated uranium mineral resources in the Mount Isa region to mineral reserve status will require the support of the Queensland state government.

Through membership of industry bodies, such as the Australian Uranium Association and the Queensland Resources Council, the Company is involved in initiatives focused on facilitating Labor 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 WA or Queensland. Any adverse change in State or Territory governmental policy may materially adversely affect the financial condition and results of operations of the Group.

Aboriginal Title and consultation issues – Michelin Project

The Michelin Project is located within the traditional territory of the Inuit residing in Labrador. 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.

Government regulations

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 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 the Company 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 Offering Circular.

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.

Climate change risk

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 the Company impacting 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.

Foreign operations

The Company's operations in Namibia and Malawi are exposed to various levels of 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; 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.

Failure of basic infrastructure

Infrastructure in most of Africa for utilities such as electricity and water supply is under strain and underdeveloped. The Company depends on the reliable and continuous delivery of sufficient quantities of power to its projects, including through delivery of diesel to run generators to power the Kayelekera project which is not connected to a power grid. 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.

Project profitability

The Company cannot provide assurance of its ability to operate its projects profitably. While the Company 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.

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 the Company's business activity grows, it will require additional personnel to meet its growing needs. If the Company is unable to access and retain the services of a sufficient number of qualified personnel, this could be disruptive to the Company's development and may materially adversely affect its profitability, financial position and performance and prospects.

Key contractors and supplier relationships

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

A loss or deterioration in any of these 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 the Company'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.

Labour and employment matters

While the Company 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 regulates its operations. Adverse changes in such legislation may have a material adverse effect on the Company's business.

As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. 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 Malawi and 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 the Company 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 the Company'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.

Subsidiaries

As noted above, the Company is a holding company with no significant assets other than 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 the Company's ability to fund its operations efficiently and to meet its obligations to make payment under the Notes. Any such limitations, or the perception that such limitations may exist now or in the future, could also have an adverse impact on the Company's valuation and share price.

Environmental and social risk

Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses. 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 compliance guide, and honours the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“OECD Convention”).

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.

Currency risk

The Company's operations incur expenditures in the local currencies of Australia, South Africa, Malawi, Canada and Namibia. Revenue from operations and debt financings are in U.S. dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations which may materially affect its financial position and operating results.

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.

Dilution

The Company may undertake additional offerings of securities in the future. 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.

Dividend policy

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.

No dividend has been paid during the 2017 financial year and no dividend is recommended for the 2018 financial year. The payment of dividends in the future is not guaranteed.

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 the Company 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 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 uranium sales prices and costs to complete inventories to their final form. If these estimates and assumptions are inaccurate, the Company could be required to write down the carrying value of its inventories.

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.

Ability to manage growth

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.

Occupational 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, several of the projects in which Paladin has an interest are located in developing countries, and embedding systems for managing occupational health and safety risks, and maintaining and ensuring compliance with these systems, may present challenges for Paladin. Further, some of these interests are in countries where HIV/AIDS, ebola, malaria 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.

Ability to service debt

If the Company's financial performance deteriorates, there is a risk that it will be unable to service its debt.

Certain directors are involved in other mining interests

Certain directors of the Company are, and will continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnership or joint ventures which are 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.

Share market conditions

As noted above, the Company is listed on the ASX, the NSX and the German Exchanges and the price of the Company's Ordinary 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 the Company's Ordinary Shares to trade below current prices and may affect the income and expenses of the Company.

General legal matters

Future earnings, asset values and the relative attractiveness of the Company's Notes and Ordinary 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).

General taxation matters

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 the Company.

The Company is subject to complex tax laws. Changes in tax laws could adversely affect the Company's tax position, including our 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 the Company currently does not collect or pay or increase the costs of the Company's services to track and collect such taxes, which could increase the Company's costs of operations or the Company's effective tax rate and 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.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, which 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 the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations.

Volatility of uranium prices

The mining industry is competitive and there is no assurance that, even if significant quantities of a mineral resource are discovered or extracted, a profitable market will exist for the sale of this mineral. In particular, there can be no assurance that uranium prices will be such that the Company's properties can be mined at a profit. The only significant commercial use for uranium is to fuel civil nuclear power plants for the generation of electricity. Any adverse change in policies or laws concerning nuclear power in countries which operate nuclear power plants may negatively affect global uranium demand and the Company.

Factors beyond the control of the Company may affect the marketability of any minerals discovered. The price of, and demand for, uranium is a significant factor in determining the Company's financial performance, however such price and demand remains sensitive to a number of external economic and political factors beyond the Company'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 and persistent delays in Japanese reactor operations, etc.), 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 any of its uranium product in the future.

The Company currently does not engage in any hedging or derivative transactions to manage uranium price movements.

PROJECT SPECIFIC RISK – LHM

LHM Call Option

Paladin Finance holds 75% of the issued share capital of LHMHL which owns and operates the LHM. Paladin Finance is a wholly owned subsidiary of Paladin. COUH currently owns 25% of the issued share capital of LHMHL. Paladin Finance and COUH are party to a shareholders' agreement in respect of LHMHL. The shareholders' agreement contains certain solvency triggers which can enliven an option to purchase a defaulting shareholder's interest in LHMHL ("Call Option"). It is possible that Paladin entering into the deed of company arrangement ("DOCA") on 8 December 2017 triggered the Call Option.

In the event that entering into the DOCA has in fact triggered the Call Option, COUH has 60 days from becoming aware of the DOCA to require a valuation process by an independent expert. COUH may (but does not have to) elect to acquire Paladin's shares in LHMHL at a 5% discount to fair market value (as determined by the independent expert). At this stage it is unclear whether Paladin Finance's partner will require a valuation, what value any independent expert would apply to the value of Paladin's interest in LHMHL and when the valuation would be issued. It is also unclear whether the Call Option would be exercised and if it were exercised, when completion of that process would occur.

If the Call Option was exercised and Paladin Finance's shares in LHMHL were acquired, Paladin would cease to hold an interest in the LHM, Paladin's key asset. In such circumstances, Paladin may have to pay tax on the proceeds and would need to consider what impact this has on the Company's financial position and performance.

LHM C&M

If the spot uranium price remains low or moves lower there is a heightened risk that the board and shareholders of LHMHL will decide to place the LHM into C&M. Taking into account operating factors, such a decision would need to be made at least six months in advance of anticipated time for the exhaustion of the stockpiles of MG ore.

PROJECT SPECIFIC RISK – KM

KM C&M

Kayelekera is capable of operating at a production capacity of approximately 3Mlb pa. It was announced in February 2014 that production would cease at Kayelekera and that the site would be placed on C&M. Following a period of reagent run-down, production ceased in early May 2014. It is expected that production will recommence once the uranium price provides a sufficient incentive and grid power supply ("ESCOM") is available on site to replace the existing diesel generators with low cost hydroelectricity.

However, there is no guarantee that either of the above two triggers for restart will eventuate in the future. Kayelekera is owned 100% by PAL, a subsidiary of Paladin. In July 2009, Paladin issued 15% of equity in PAL to the GoM under the terms of the Development Agreement signed between PAL and the Government in February 2007. The Company has received a positive response from the GoM regarding plans for Kayelekera exploration and for future grid power supply development.

KM – environmental performance bond

PAL is required to maintain a US$10M environmental performance bond in favour of the GoM. PAL's existing environmental performance bond expired on 31 December 2017. If not renewed, the relevant Minister will be able to cancel or suspend PAL's licence on 30 days' notice. The Minister may not suspend or cancel a licence without taking into account any action taken to remove the breach.

The current environmental performance bond is issued by Nedbank Limited against security of the Kayelekera asset. Nedbank Limited is only willing to renew the performance bond if it is cash backed to US$10M. The Deed Administrators have concluded that the Company will not have sufficient cash available during December 2017 and January 2018 to cash back the environmental performance bond, because funds they are holding are needed for working capital and preserving and maintaining the assets of the LHM. The Deed Administrators intend to use part of the US$115M cash raised from the Notes for the US$10M cash backing. If the proceeds of the new Notes are not received in time, or PAL is otherwise unable to replace the environmental performance bond within the 30 day cure period following notice from the GoM, PAL's licence for Kayelekera could be suspended or cancelled. As at the date of this Offering Circular, GoM has not issued a notice.

PROJECT SPECIFIC RISK – MICHELIN PROJECT

On 29 November 2017, the Company announced that EDF had issued a demand under guarantees which had been given by several of the Company's subsidiaries in connection with the Long Term Supply Contract. These subsidiaries have provided security to EDF over their interests in the Michelin Project and as a result EDF may have been entitled to take possession of a 60.1% interest in the Michelin Project and sell or acquire the outstanding 39.9% of the Michelin Project at its fair market value. However, as noted elsewhere in this Offering Circular, EDF has sold its claims against Paladin and certain of Paladin's subsidiaries to Deutsche Bank. It is not yet clear whether Deutsche Bank, or any other purchaser of EDF's claims will seek to enforce any interest in the Michelin security which might have been assigned to it by EDF.

The risks described above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.

The investment referred to in this Offering Circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment advisor before making a decision to subscribe for Notes.

FINANCIAL INFORMATION

Overview

The Company's annual financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Set out below are:

- a table setting out the consolidated capitalisation of the Company as at 30 June 2017 as adjusted after giving effect to the issue of the Notes under the Offering;
- the adjusted unaudited consolidated statement of financial position of the Issuer as at 30 June 2017 to reflect the effect of the Offering on the Issuer's financial position. The historical consolidated statement of financial position is based on the Issuer's financial statements for the year ended 30 June 2017. The Issuer's annual financial statements most recently lodged with ASIC can be obtained as set out in the "Important Notice";
- information on assumptions and adjustments;
- information on use of proceeds; and
- information on earnings coverage.

In this Offering Circular, the terms "Issuer", "Company", "we", "us", "our" and "Group" refer to Paladin and its subsidiaries, unless the context otherwise requires.

As a result of rounding adjustments, the figures or percentages in a column may not add up to the total for that column.

The Company's annual financial statements for the year ended 30 June 2017 most recently lodged with ASIC, may be obtained from the Company or the ASX as set out in the "*Important Notice*". Prospective investors are advised to obtain and read these documents before making their investment decision in relation to the Notes.

Consolidated capitalisation and share capital after Offering

The following table sets forth the consolidated capitalisation of the Company as at 30 June 2017 as adjusted after giving effect to the issue of the Notes under the Offering. This table should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2017, and management's discussion and analysis.

As at 31 January 2018, the Company's issued share capital was 1,712,843,812.

	Historical as at 30 June 2017 (U.S.$'000)	**Adjusted as at 30 June 2017 and after giving effect to the issue of the Bonds (Unaudited – U.S.$'000)**
Cash and cash equivalents	11,502	92,119
Ordinary Shares issued (unlimited authorised)	1,712,843,812	1,712,843,812
Interest bearing loans and other borrowings	765,769	171,804

Adjusted consolidated statement of financial position for the Company reflecting the effect of the Offer

(a) **Introduction**

This section provides an overview of the historical consolidated statement of financial position of the Company as at 30 June 2017 together with the unaudited adjusted consolidated statement of financial position of the Company as at 30 June 2017, to show the effect of completion of the Offer.

(b) **Consolidated Statements of Financial Position**

Set out below is the historical consolidated statement of financial position of the Company as at 30 June 2017 and the unaudited adjusted consolidated statement of financial position of the Company, as at 30 June 2017 after giving effect to the issue of the Notes.

These consolidated statements of financial position should be read in conjunction with the financial statements for the Company and other information contained in this document or released to ASX in accordance with the Company's continuous disclosure obligations.

HISTORICAL AND ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017 AFTER GIVING EFFECT TO THE ISSUE OF THE NOTES

	Historical	Adjustments	Adjusted (unaudited)
	U.S.$'000	U.S.$'000	U.S.$'000
ASSETS			
Current assets			
Cash and cash equivalents [1,2]	11,502	80,617	92,119
Trade and other receivable	13,744		13,744
Prepayments	2,350		2,350
Inventories	27,456		27,456
Assets classified as held for sale	165		165
TOTAL CURRENT ASSETS	**55,217**	**80,617**	**135,834**
Non current assets			
Trade and other receivables	384		384
Property, plant and equipment	244,297		244,297
Mine development	36,396		36,396
Exploration and evaluation expenditure	92,025		92,025
Intangible assets	10,625		10,625
TOTAL NON CURRENT ASSETS	**383,727**		**383,727**
TOTAL ASSETS	**438,944**	**80,617**	**519,561**
LIABILITIES			
Current liabilities			
Trade and other payables	18,241	(1,081)	17,160
Interest bearing loans and borrowings	398,199	(398,199)	-
Provisions	2,382		2,382
Unearned revenue	278,182	(278,182)	-
TOTAL CURRENT LIABILITIES	**697,004**	**(677,462)**	**19,542**
Non-current liabilities			
Interest bearing loans and borrowings	-	82,416	82,416
Other interest bearing loans - CNNC	89,388		89,388
Provisions	88,351		88,351
TOTAL NON CURRENT LIABILITIES	**177,739**	**82,416**	**260,155**
TOTAL LIABILITIES	**874,743**	**(595,046)**	**279,697**
NET ASSETS	**(435,799)**	**675,664**	**239,865**
EQUITY			
Parent interests	(331,259)	676,533	345,274
Non-controlling interests	(104,540)	(870)	(105,410)

	Historical	Adjustments	Adjusted (unaudited)
	U.S.$'000	U.S.$'000	U.S.$'000
TOTAL EQUITY	**(435,799)**	**675,664**	**239,865**

[1] Paladin is required to maintain a US$10 million environmental performance bond relating to KM in favour of the GoM. The current environmental performance bond is issued by Nedbank Limited against security of the KM. The environmental performance bond expired on 31 December 2017 and Nedbank Limited has advised that it is only willing to renew the environmental performance bond if it is cash backed. The Deed Administrators intend to use part of the US$115 million cash raised from the Notes for the US$10 million cash backing, therefore the pro forma cash and cash equivalents balance includes US$10 million restricted cash relating to this environmental performance bond.

[2] The unaudited adjusted consolidated statement of financial position as reflected above excludes a $16 million reduction in cash and cash equivalents from 30 June 2017 to 31 December 2017 incurred in the ordinary course of business. During the six months to 31 December 2017 the LHM continued to process medium grade ore stockpiles and due to the prevailing low uranium price environment the LHM continued to generate operating losses. In addition, cash outflows have also been incurred in respect of normal corporate administration and exploration activities together with care and maintenance costs incurred in respect of the KM.

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

Basis of preparation of the unaudited adjusted consolidated statement of financial position after giving effect to the issue of the Notes

For the purposes of preparing the unaudited adjusted consolidated statement of financial position, the Company has extracted the historical consolidated statement of financial position from the financial statements for the year ended 30 June 2017.

Accounting entries have then been made, consistent with the terms of the Offer and the assumptions set out below, in order to arrive at an unaudited adjusted consolidated statement of financial position of the Company as at 30 June 2017.

The unaudited adjusted consolidated statement of financial position is indicative only. Conclusions have been drawn based on the known facts and other information publicly available. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

Adjustments and assumptions used in preparing the unaudited adjusted consolidated statement of financial position

The following adjustments and assumptions have been made in the preparation of the unaudited adjusted consolidated statement of financial position of the Company, as set out in the section immediately above:

- A debt for equity swap with the existing Bondholders, Deutsche Bank and any other purchaser of EDF's claims receiving 70% of all existing Shares pro rata to the value of their claims ("Debt for Equity Swap"), to be effected through the Deed Administrators' power to transfer Shares with leave of the Court under section 444GA of the Corporations Act ("s444GA Transfer").
- In accordance with Australian Accounting Standards, the fair value of the existing shares which are to be transferred is required to be measured as at the date that the associated debt is extinguished, with any

resulting difference between the book value of the debt forgone and the assessed fair value of the shares transferred recorded against profit and loss (Retained Earnings within Equity).

- An underwritten issue by Paladin of Notes to the value of US$115 million which Notes will be secured by all-assets (with exceptions) security to be granted by the Companies and certain other entities in the Group pursuant to various security agreements. Subscribers for the Notes will also be entitled to be transferred a pro-rata allocation of 25% of the currently issued Shares (to be effected pursuant to the s444GA Transfer). The New are not convertible and are proposed to be listed on the Singapore Stock Exchange.
- In accordance with Australian Accounting Standards, the fair value of the Notes is required to be assessed as if no shares were to be transferred to the new Note holders as part of the same transaction. The fair value of the Notes has been assessed by applying a discount rate commensurate with an estimated coupon (or yield to maturity) on debt with similar risk profiles but without the attaching shares. The resulting difference between the assessed fair value of the Notes and the face value of the Notes is allocated to Share Capital (within Equity).
- The transfer of 3% of the currently issued Shares to the underwriter(s) of the Notes (also pursuant to the s444GA Transfer). In accordance with Australian Accounting Standards, the fair value of the existing shares which are to be transferred is required to be measured at fair value and offset against the amount raised under the Notes issue.
- The draw down by Paladin of approximately US$60 million cash under the DB Facility which has been specifically used in part to repay approximately $20 million relating to the existing Nedbank Revolving Credit Facility.
- Payment by Paladin of approximately US$60 million cash (raised from the Notes) to acquire the DB Facility.
- Payment of outstanding fees and expenses of approximately US$3 million relating to completion of the Proposed Restructure.

Use of Proceeds

The net proceeds of the issue of the Notes are expected to amount to approximately US$110 million, subject to adjustment for certain expenses in connection with the Offering. The net proceeds will be used by the Issuer to acquire the Company's US$60 million DB Facility, to cash back Nedbank Limited’s issue of a US$10 million performance bond to the GoM for the PAL environmental rehabilitation obligations associated with the KM and to finance its and its subsidiaries’ operations.

GLOBAL NOTE PROVISIONS

Form of Global Certificate

THIS NOTE IS HELD BY A COMMON DEPOSITARY, AS APPOINTED BY THE CLEARING SYSTEMS THROUGH WHICH THIS NOTE IS CLEARED FROM TIME TO TIME, OR ITS NOMINEE, IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT AS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

THE RIGHTS ATTACHING TO THIS NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED.

[In the case of Regulation S Global Certificates: THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT.]

[In the case of Restricted Global Certificates: THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT.

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EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE US SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.]

[Regulation S/Restricted] ISIN:_____
[Regulation S/Restricted] Common Code:_____

PALADIN ENERGY LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

(*Incorporated in Australia*)

GLOBAL CERTIFICATE

Representing
US$115,000,000 9.000%/10.000% PIK TOGGLE NOTES DUE 2023

Irrevocably guaranteed

as to payment of principal, premium (if any) and interest by

certain of its Subsidiaries

Paladin Energy Limited (Subject to deed of company arrangement) (the "**Issuer**") hereby certifies that Banque Internationale à Luxembourg S.A. for Euroclear and Clearstream accounts is, at the date hereof, entered in the Register as the holder of the aggregate principal amount of US$115,000,000 of the duly authorised issue of Notes (the "**Notes**") described above of the Issuer. References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out in Part 2 of Schedule 2 to the Trust Deed dated 25 January 2018 (the "**Trust Deed**") and made among the Issuer, the Guarantors listed therein, GLAS Trustees Limited (the "**Trustee**") as trustee for the Noteholders and GLAS Trust Corporation Limited (the "**Security Trustee**") as security trustee. Words and expressions defined in the Trust Deed and the Conditions shall bear the same meanings when used in this Global Certificate. This Global Certificate is issued subject to, and with the benefit of, the Conditions and the Trust Deed. This Note is one of the Notes referred to in the Trust Deed. The Notes are treated as a single class for all purposes under the Trust Deed, including without limitation, with respect to waivers, amendments, redemptions, and offers to purchase, except as otherwise provided therein.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the registered holder hereof on 1 February 2023 or on such earlier date(s) as all or any of the Notes represented by this Global Certificate may become due and repayable in accordance with the Conditions and the Trust Deed, the amount

payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the principal amount of the Notes outstanding from time to time represented by this Global Certificate calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed. At maturity, and prior to the payment of any amount due, the registered holder hereof shall surrender this Global Certificate at the specified office of the Registrar at Banque Internationale à Luxembourg S.A., 69 route d'Esch, L - 2953 Luxembourg, Grand Duchy of Luxembourg, or such other office as may be specified by the Issuer and approved by the Trustee. On any redemption or purchase and cancellation of any of the Notes represented by this Global Certificate, details of such redemption or purchase and cancellation (as the case may be) shall be entered on the Register and (for information purposes only) in the Schedule hereto and the relevant space in the Schedule hereto recording any such redemption or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Registrar. Upon any such redemption or purchase and cancellation the principal amount outstanding of this Global Certificate and the Notes held by the registered holder hereof shall be reduced by the principal amount of such Notes so redeemed or purchased and cancelled. The principal amount outstanding of this Global Certificate and of the Notes held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any exchange as referred to below shall be the amount shown in the Register as being represented by this Global Certificate and (for information purposes only) most recently entered in the fourth column in the Schedule hereto.

Notes represented by this Global Certificate are exchangeable and transferable only in accordance with, and subject to, the provisions hereof and the rules and operating procedures of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**").

This Global Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Definitive Certificates, upon the Noteholder giving written notice to the Registrar, if (1) Euroclear or Clearstream, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor or alternative clearing system satisfactory to the Trustee is available, or (2) the owner of a Global Certificate requests such exchange following an Event of Default under the Terms and Conditions of the Notes.

Upon the exchange of the whole of this Global Certificate for Definitive Certificates (only in the limited circumstances set forth above), details of such exchange shall be entered by the Registrar in the Register and (for information purposes only) by or on behalf of the Issuer in the third column of the Schedule hereto and the relevant space in the Schedule hereto recording such exchange shall be signed by or on behalf of the Registrar, whereupon the outstanding principal amount of this Global Certificate and the Notes held by the registered holder hereof shall be reduced by the principal amount so exchanged.

Subject as provided in the following paragraph, until the exchange of the whole of this Global Certificate as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if such registered holder were the registered holder of Definitive Certificates in the form set out in Part 1 of Schedule 2 to the Trust Deed.

In considering the interests of Noteholders, the Trustee shall to the extent it considers it appropriate to do so take account of any information provided to it by any relevant clearing system as to the identity of its accountholders and may consider such interests on the basis that such accountholders were the holders of this Global Certificate.

For so long as all of the Notes are represented by this Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream (as the case may be) for communication to the relative accountholders rather than by mailing as required by Condition 17 (*Notices*). Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream as aforesaid.

While all the Notes are represented by this Global Certificate, notices to be given by and options to be exercised by Noteholders may be given or exercised by accountholders in the relevant clearing system(s) giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and/or Clearstream (which

may include notice being given on his instructions by Euroclear or Clearstream or any common depositary for them to the Principal Paying Agent by electronic means) or in such a manner as the Principal Paying Agent and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

Claims against the Issuer and the Guarantors in respect of principal, premium (if any) and interest (including any Additional Amounts in respect of) on the Notes represented by this Global Certificate will be prescribed after ten (10) years (in the case of principal and premium) and five (5) years (in the case of interest and Additional Amounts) from the date on which the relevant payment became due and payable or, if later, the date on which such payment is duly provided for.

For so long as all of the Notes are represented by this Global Certificate and this Global Certificate is held on behalf of Euroclear and/or Clearstream, in the event that the Issuer exercises its option pursuant to Condition 3.1 in respect of less than the aggregate principal amount of the Notes outstanding at such time, the standard procedures of Euroclear and/or Clearstream shall operate to determine which interests in this Global Certificate are to be subject to such option.

References herein to Euroclear and/or Clearstream shall be deemed to include references to any other clearing system through which the Notes are or are to be cleared as is determined by the Issuer and approved by the Trustee.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Certificate but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Certificate and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law and the Issuer and each Guarantor has submitted to the jurisdiction of the courts of England for all purposes in connection with this Global Certificate.

This Global Certificate shall not be valid unless authenticated by Banque Internationale à Luxembourg S.A., as Registrar.

IN WITNESS whereof the Issuer has caused this Global Certificate to be signed on its behalf.

PALADIN ENERGY LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

By:_____

(Duly authorised)

Issued on [●] 2018

Certificate of authentication

This Global Certificate is duly authenticated

without recourse, warranty or liability.

_____

Duly authorised

for and on behalf of

Banque Internationale à Luxembourg S.A.

as Registrar

SCHEDULE

Outstanding Principal Amount

The following (i) exchanges of this Global Certificate for Definitive Certificates (only in the limited circumstances set forth in this Global Certificate), (ii) payments of any redemption amount or purchase price in respect of this Global Certificate and/or (iii) cancellations of interests in this Global Certificate have been made, resulting in the principal amount outstanding hereof being the amount specified in the latest entry in the fourth column:

Date	Amount of increase/ decrease in outstanding principal amount of this Global Certificate	Reason for increase/ decrease in outstanding principal amount of this Global Certificate (initial issue, cancellation, redemption, payment, repurchase or exchange)	Outstanding principal amount of this Global Certificate following such increase/ decrease	Notation made by or on behalf of the Registrar

TAX IMPLICATIONS

Prospective investors considering the purchase of the Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes under the laws of their country of citizenship, residence or domicile.

AUSTRALIAN TAXATION

INTRODUCTION

Scope

The following is a general summary of the material Australian withholding tax consequences arising under the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) (together, the "Tax Act") as at the date of this Offering Circular on payments of interest by the Issuer in relation to the Notes.

This general summary is not exhaustive and is not intended to be nor should it be construed to be legal or tax advice to any particular investor. Prospective investors are urged to contact their tax advisers for specific advice relating to their particular circumstances, in particular in relation to local taxes in their home jurisdictions.

NON-RESIDENT INVESTORS

This summary assumes that the issue of the Notes by the Issuer will satisfy all of the conditions including one of the public offer tests that are described in section 128F(3) of the Tax Act.

Australian interest withholding tax

Generally, payments of interest to a Noteholder who is not a resident of Australia for Australian tax purposes (a "Non-Resident") (other than one deriving the interest in carrying on business in Australia at or through a permanent establishment in Australia) will be subject to a 10% Australian interest withholding tax on the gross amount of the payment unless either the exemption provided by section 128F of the Tax Act applies or an exemption is available under a double tax treaty. As it is assumed that an exemption under section 128F will be available, no further consideration is given to exemptions under double tax treaties. If the relevant conditions in section 128F of the Tax Act are satisfied, there will be no Australian withholding tax on payments of interest or amounts in the nature of interest (unless the Noteholder is an Offshore Associate of the Issuer – see further discussion below).

Exemption from interest withholding tax under section 128F of the Tax Act (section 128F)

Interest on the Notes will be exempt from interest withholding tax if the requirements of section 128F are satisfied in relation to the Notes.

The Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F.

The exemption from interest withholding tax available under section 128F is not intended to apply to related party loans. In particular, in order for that exemption to apply, the Issuer must not have known or had reasonable grounds to suspect, at the time of their issue, that any of the Notes, or an interest in the Notes, were being or would later be acquired either directly or indirectly by an Offshore Associate of the Issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act)).

In addition, the exemption from IWT available under section 128F will not apply if, at the time of an interest payment in respect of a Note, the Issuer knew or had reasonable grounds to suspect that the recipient of the payment was an Offshore Associate of the Issuer (other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act)).

For these purposes, an "Offshore Associate" means an associate (as defined in section 128F) of the Issuer that is either:

- a Non-Resident that does not acquire the Notes and does not receive all payments under them in carrying on business in Australia at or through a permanent establishment in Australia; or

- a Resident that acquires the Notes and receives payments under them in carrying on business at or through a permanent establishment in a country outside Australia.

Accordingly, if you are an Offshore Associate of the Issuer, you should not acquire any of the Notes.

For interest withholding tax purposes, "interest" is defined to include amounts in the nature of, or paid in substitution for, interest and certain other amounts. Any premium or issue discount would be interest for these purposes. There are also specific rules that can apply to treat a portion of the purchase price of the Notes as interest for interest withholding tax purposes when Notes that are originally issued at a discount, or with a maturity premium, or which do not pay interest at least annually, are sold by a Non-Resident (other than one holding the Notes as part of a business carried on by it at or through a permanent establishment in Australia) to:

- a resident of Australia for Australian tax purposes (a "Resident") that does not acquire them in carrying on business at or through a permanent establishment in a country outside Australia; or

- a Non-Resident that acquires them in carrying on business in Australia at or through a permanent establishment in Australia.

Payments under the Guarantee

It is unclear whether or not any payment by a Guarantor under the Guarantee on account of interest owing by the Issuer in respect of the Notes would be subject to Australian IWT. There are good arguments that such payments (other than interest paid on an overdue amount) do not constitute "interest" for Australian withholding tax purposes, and, if so, would not be subject to Australian IWT.

The Australian Taxation Office has, however, published a Taxation Determination stating that payments by a guarantor in respect of debentures are entitled to the benefit of the exemption contained in section 128F if payments of interest in respect of those debentures by the Issuer are exempt from Australian IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning adopted in the Taxation Determination is strictly correct.

If such payments are characterised as "interest" for Australian withholding tax purposes, Australian IWT at the rate of 10% will be payable on payments of interest (as defined in section 128AB(1AB) of the Tax Act) by a Guarantor to a Non-Australian Holder, unless an exemption is available.

Payment of additional amounts

As set out in more detail in the Terms and Conditions for the Notes, if the Issuer or Guarantor (each a "Payor") is at any time required by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, the Payor must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no withholdings or deductions had been required to be made.

Withholding for failure to provide Tax File Number ("TFN") / Australian Business Number ("ABN") withholding tax

The Issuer is required to deduct and withhold tax from payments of interest at a rate that is currently 47% from the 2017-18 income year (and, if measures passed by the Australian House of Representatives on 25 October 2017 are enacted in their current form, will be increased to 47.5% following the 2018-19 income year) on the Notes unless a TFN or, in certain circumstances, an ABN has been provided to the Issuer by the Noteholder, or the Noteholder has supplied the Issuer with proof of some other relevant exemption.

Provided that the requirements of section 128F have been satisfied with respect to the Notes, the TFN/ABN withholding rules will not apply to payments of interest to Noteholders that are Non Residents and do not hold the Notes in carrying on business in Australia at or through a permanent establishment in Australia.

Non-resident withholding tax

Under section 12-315 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("TAA"), regulations may be made that require amounts to be withheld on account of tax liabilities of Non-Residents from certain payments that are made by an Australian entity to such Non-Residents.

These rules do not currently apply to payments in relation to the Notes. However, the possible application of any future regulations to payments received by Non-Residents in respect of the Notes will need to be monitored.

GOODS AND SERVICES TAX ("GST")

GST should not be payable in respect of the issue or redemption of Notes by the Issuer, on the basis that the supply of the Notes will comprise either an "input taxed financial supply" or (in the case of a supply to a Non-Resident Holder outside Australia) a "GST-free supply". Furthermore, neither the payment of principal or interest by the Issuer would give rise to any GST liability in Australia.

STAMP DUTY

Subject to the Notes being debt interests (within the meaning of Division 974 of the *Income Tax Assessment Act 1997* (Cth)) as described above, the issue, transfer or redemption of the Notes will not be subject to ad valorem stamp duty in any Australian jurisdiction.

GARNISHEE DIRECTIONS BY THE COMMISSIONER OF TAXATION

The Commissioner may give a direction requiring the Issuer to pay out of any payment to a holder of the Notes any amount in respect of Australian tax payable by the Holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any payments required by that direction.

SUPPLY WITHHOLDING TAX

Payments in respect of the Notes can be made free and clear of any "supply withholding tax".

FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

FATCA imposes a reporting regime and potentially a 30% withholding tax (i) if an investor does not provide information sufficient for a financial institution through which payments on the Notes are made to determine whether the investor is subject to withholding under FATCA; or (ii) with respect to certain payments to any non-US financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the US Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA.

The withholding regime is in effect for payments from sources within the United States and will apply to foreign passthru payments (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially

apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for US federal tax purposes that are issued after the grandfathering date, which is the date that is six months after the date on which final US Treasury Regulations defining the term foreign passthru payment are published in the US Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for US federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions (including Australia) have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government (which would provide that information to the IRS) or to the IRS directly.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

While the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any Paying Agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex legislation. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

COMMON REPORTING STANDARD

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("CRS") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

TRANSFER AND SELLING RESTRICTIONS

This section sets out restrictions on the Offering in various jurisdictions.

TRANSFER RESTRICTIONS

Prospective purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale or other transfer offered hereby because of the following restrictions.

Restricted Notes

Each purchaser of Restricted Notes within the United States, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) it is either a QIB or an IAI;

(2) it will (a) along with each account for which it is purchasing, hold and transfer beneficial interests in the Restricted Notes in a principal amount that is not less than US$200,000; and (b) provide notice of these transfer restrictions to any subsequent transferees. In addition, it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries;

(3) it understands that the Restricted Notes have not been and will not be registered under the US Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it or any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs; or (b) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S, (c) pursuant to a registration statement that has been declared effective under the US Securities Act, (d) pursuant to Rule 144 under the US Securities Act (if available) or (e) pursuant to any other available exemption from the registration requirements of the US Securities Act, in each case in accordance with any applicable securities laws of any state or another jurisdiction of the United States;

(4) it acknowledges that the Restricted Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Restricted Notes;

(5) it understands that the Issuer has the right to refuse to honour the transfer of an interest in the Restricted Notes that is made other than in compliance with the above stated restrictions;

(6) it understands that the Restricted Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

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THE RIGHTS ATTACHING TO THIS NOTE ARE AS SPECIFIED IN THE TRUST DEED (AS DEFINED HEREIN).

EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE US SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

(7) it acknowledges that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Restricted Notes is no longer accurate, it shall promptly notify the Issuer. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account;

(8) it understands that the Restricted Notes will be evidenced by the Restricted Global Note. Before any interest in the Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in one or more Regulation S Global Notes, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with the foregoing acknowledgements, representations and agreements and applicable securities laws; and

(9) it has had access to such financial and other information concerning the Issuer and the Restricted Notes as it has deemed necessary in connection with its decision to purchase the Restricted Notes, including an opportunity to ask questions of and request information from the Issuer.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Regulation S Notes outside the United States pursuant to Regulation S, by accepting delivery of this Offering Circular and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

(1) it is, or at the time the Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) it is located outside the United States (within the meaning of Regulation S); and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(2) it understands that such Regulation S Notes have not been and will not be registered under the US Securities Act;

(3) the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account;

(4) it understands that the Regulation S Notes offered in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(5) it understands that the Regulation S Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THE RIGHTS ATTACHING TO THIS NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT; and

(6) it understands that the Issuer may receive a list of participants holding positions in the Issuer's securities from one or more book-entry depositaries.

SELLING RESTRICTIONS

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to any Notes has been, or will be, lodged with ASIC.

No offer has been made or invited, nor will any offer be made or invited for the issue or sale of Notes in Australia (including an offer or invitation which is received by a person in Australia); and no Offering Circular or other information memorandum, nor any other offering material or advertisement relating to any Notes has been nor will be distributed or published in Australia to any prospective offeree, unless:

(a) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer

or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(b) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act;

(c) such action complies with any applicable laws and directives in Australia; and

(d) such action does not require any document to be lodged with ASIC.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

i. to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
ii. where no consideration is or will be given for the transfer;
iii. where the transfer is by operation of law;
iv. as specified in Section 276(7) of the SFA; or
v. as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United States

The Notes have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the US Securities Act. The Notes being offered and sold outside the United States are being offered and sold in accordance with Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in reliance on Rule 144A or another available exemption from registration under the US Securities Act.

European Economic Area

Public offer selling restriction under the Prospectus Directive

In relation to each Relevant EEA State, no offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant EEA State has been or will be made an offer of such Notes to the public in that Relevant EEA State:

(a) at any time to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealer nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State.

Public offer selling restriction under the Prospectus Directive

No person has offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:
    i. a retail client as defined in point (11) of Article 4(1) of MiFID II; or
    ii. a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Canada

All of the Company's securities, including the Notes, are subject to a cease trade order dated October 4th, 2017 (the "Ontario CTO") which prohibits a person or company located in Canada (a "Canadian Purchaser") from trading in or purchasing any security of the Company except under limited circumstances.

So long as the Ontario CTO remains in force, a Canadian Purchaser is prohibited from purchasing the Notes under any circumstances. An application was made seeking an exemption to the CTO to enable Canadian Purchasers to receive Notes. On 25 January a partial waiver of the Ontario CTO was granted, allowing Canadian Purchasers to acquire the Notes as contemplated by the Deed of Company Arrangement approved by the creditors of Paladin on 7 December 2017.

ADDITIONAL INFORMATION

INTERESTS AND FEES

Interests of Directors

All of the former directors of the Company other than Chairman Rick Crabb, resigned on 8 December 2017 and new directors were appointed on 1 February 2018.

Other than as set out below or elsewhere in this Offering Circular, no Director has had within the two years prior to lodgement of this Offering Circular, any interest in:

- the promotion or formation of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offering; or
- the Offering,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- to induce him or her to become, or to qualify him or her as, a Director; or
- for services rendered by him or her in connection with the formation or promotion of the Company or the Offering.

Details of the interests of the directors in the securities of the Company as at the date hereof, including those held directly and indirectly, are:

- RW & CJ Crabb <The Crabb Family Pension Fund> 246,000
- RW & CJ Crabb ATF Intermax A/C 5,598,050
- Westessa Holdings Pty Ltd 137,478

Details on the Director's remuneration is AU$125,000 per annum inclusive of superannuation.

The information described above can be obtained from the Company, ASIC or the ASX respectively, as set out in the "*Important Notice*".

GENERAL INFORMATION

(1) The Company's corporate head office and principal place of business is located at Level 4, 502 Hay Street, Subiaco, Western Australia, 6008, Australia.

(2) The issue of the Notes and the terms of the placement and the issue of the Notes were approved by the Deed Administrators on 1 February 2018.

(3) Copies of the constitutive documents of the Company and copies of the Trust Deed and the Agency Agreement (upon execution) will be available for inspection and the published financial statements of the Company will be available for collection at the specified office of the Principal Paying Agent during normal business hours, so long as any of the Notes is outstanding.

(4) The Notes have been accepted for clearance through Euroclear and Clearstream. The ISIN for the Notes are XS1762161310 for the Regulation S Notes and XS1762161666 for the Restricted Notes and the Common Code for the Notes are 176216131 for the Regulation S Notes and 176216166 for the Restricted Notes.

(5) The Company has obtained or will at the date of issue obtain all consents, approvals and authorisations in Australia, Singapore, Canada and Namibia required to be obtained in connection with the issue and performance of its obligations under the Notes.

(6) Except as set out in this Offering Circular or in the Company's ASX disclosure, there has been no significant change in the financial or trading position of the Company and its subsidiaries as a whole since 30 June 2017and no material adverse change in the financial position or prospects of the Company and its subsidiaries as a whole since 30 June 2017.

(7) Except as described in this Offering Circular or in the Company's ASX and TSX disclosure (while it remained listed on TSX), none of the Company nor any of its subsidiaries is involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Notes nor, so far as the Company is aware, is any such litigation or arbitration pending or threatened.

(8) The consolidated financial statements of the Group for the year ended 30 June 2015, 30 June 2016 and 30 June 2017 have been filed with ASIC and the ASX and are available through the ASX or Paladin's website at www.paladinenergy.com.au/financial-reports.

(9) Approval in-principle has been received for the listing of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for individual definitive Notes. In addition, in the event that a Global Note is exchanged for individual definitive Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive Notes, including details of the paying agent in Singapore.

(10) The Noteholders do not have any participating rights in the event of a takeover offer for the Issuer.

TERMS AND CONDITIONS OF THE NOTES

The following, subject to completion and amendment, is the text of the Terms and Conditions of the Notes.

The US$115,000,000 9.000%/10.000% senior secured PIK toggle notes due 2023 (the "**Notes**", and each, a "**Note**", which terms shall include, unless the context otherwise requires, the certificates (whether in global or definitive form) evidencing the Notes) of Paladin Energy Limited (Subject to Deed of Company Arrangement), a company incorporated under the laws of Western Australia (the "**Issuer**"), are constituted by a trust deed dated __ January 2018 (the "**Trust Deed**") made between the Issuer, the Guarantors (as defined below), GLAS Trustees Limited (the "**Trustee**", which term shall include any trustee or trustees appointed pursuant to the Trust Deed) and GLAS Trust Corporation Limited (the "**Security Trustee**", which term shall include any trustee or trustees appointed pursuant to the Trust Deed).

The proceeds of the Notes will be used, in part, by the Issuer to purchase, in full, Deutsche Bank AG, London Branch's rights and obligations under the LH Revolving Credit Facility (as defined below), and to finance the Issuer and its subsidiaries' operations, including, without limitation, such amounts required after the Issue Date to prepare and file the Issuer's continuous disclosure documents under applicable securities laws in Canada to bring such filings and outstanding filing fees up to date.

The Issuer and the Guarantors have entered into an agency agreement (the "**Agency Agreement**") dated on or about the Issue Date with Banque Internationale à Luxembourg S.A., as initial principal paying agent, initial registrar and with GLAS Trustees Limited as the Trustee. The registrar and the principal paying agent for the time being are referred to in these terms and conditions (the "**Conditions**"), respectively, as the "**Registrar**" (which term shall include any successor) and the "**Principal Paying Agent**" (which term shall include any successor). The Principal Paying Agent and any other paying agents as may be appointed under the Agency Agreement from time to time are referred to herein as the "**Paying Agents**" and the Paying Agents together with the Registrar are referred to herein as the "**Agents**". Pursuant to the terms of the Agency Agreement, the Agents have agreed to act and perform services on behalf of the Issuer (and, in certain circumstances specified in the Trust Deed and the Agency Agreement, the Trustee) with respect to the Notes. Banque Internationale à Luxembourg S.A., is a public company with limited liability incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg having its registered office at 69, route d'Esch, L-2953 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 6307.

The statements in these Conditions include summaries of, and are subject to the detailed provisions of, the Trust Deed, which includes the form of the certificates that will evidence the Notes. The Noteholders are entitled to the benefit of the Trust Deed and are bound by and are deemed to have notice of all the provisions of the Trust Deed and those applicable to them of the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection by the Noteholders during normal business hours at the specified office of the Trustee for the time being, being at the date hereof at 45 Ludgate Hill, London EC4M 7JU, United Kingdom, and at the specified office for the time being of the Principal Paying Agent. As used herein, references to the Trust Deed include the Conditions set forth herein. Capitalised terms used but not defined in these Conditions shall have the same meanings as in the Trust Deed. These Conditions will enter into effect as from the Issue Date.

1. STATUS AND FORM

The Notes constitute senior unconditional obligations of the Issuer, secured on a first-ranking basis on the Collateral, and rank *pari passu* without any preference among themselves and at least equally with all other existing and future indebtedness of the Issuer, and senior in right of payment to any existing or future Subordinated Indebtedness of the Issuer. The Notes are secured in the manner set forth in the Trust Deed, the Security Trust Deed and the Security Documents. The Notes are guaranteed on a senior secured (and in respect of the Canadian Guarantors, only as from the Canadian Security Date) basis by the Guarantors. Each Guarantee (and in respect of the Canadian Guarantors, only as from the Canadian Security Date) ranks *pari passu* in right of payment to all existing and future secured Indebtedness of the relevant Guarantor, and senior in right of payment to any existing or future Subordinated Indebtedness of that Guarantor.

The Notes will be issued in registered form and transferable only upon the surrender of the certificates evidencing the Notes being transferred for registration of transfer. The Issuer may require payment of a sum sufficient to pay any tax, assessment or other governmental charges payable in connection with certain transfers and exchanges.

2. **PRINCIPAL, MATURITY AND INTEREST**

2.1 The Notes are issued initially in an aggregate principal amount of US$115,000,000 and are issued in denominations of US$200,000 or integral multiples of US$1,000 in excess thereof. The Notes will mature on 1 February 2023 (the "**Maturity Date**"), being the date falling five years after the Issue Date. If redeemed on the Maturity Date, the Notes will be redeemed at par on such date.

2.2 ***Interest***

(a) Each Note bears interest from, and including, the Funding Date:

(i) where Condition 2.2(b) applies, at a rate of 10.00% per annum calculated by reference to the principal amount of the Note ("**PIK Interest Rate**");

(ii) where Condition 2.2(c) applies, at a rate of 9.00% per annum calculated by reference to the principal amount of the Note ("**Cash Interest Rate**"); or

(iii) where Condition 2.2(d) applies, at the PIK Interest Rate in respect of such proportion of the principal amount of the Note as is specified by the Issuer pursuant to Condition 2.2(d), and at the Cash Interest Rate in respect of the remaining proportion of the principal amount of the Notes,

and, in each case, payable semi-annually in arrear on 31 March and 30 September of each year (each an "**Interest Payment Date**"), commencing on 31 March 2018. In this Condition 2.2, "**Interest Rate**" in respect of any interest period means the PIK Interest Rate and/or the Cash Interest Rate, whichever is applicable in respect of that interest period.

(b) Unless Condition 2.2(c) or 2.2(d) applies, payment of each interest amount payable in respect of the Notes (including any Additional Amounts) on each Interest Payment Date shall be deferred and no additional Notes shall be issued. If payment of an interest amount is deferred pursuant to this Condition 2.2(b), such interest amount shall constitute "**PIK Interest**". Each amount of accrued but unpaid PIK Interest also bears interest from, and including, the Interest Payment Date on which payment was deferred at the Interest Rate by reference to the amount of the interest so deferred and at the Interest Rate applicable to the principal amount. All accrued but unpaid PIK Interest (and interest accrued on it) in respect of a Note shall become immediately due and payable when the Notes are redeemed in accordance with these Conditions and shall be subject to the applicable redemption premium.

(c) Notwithstanding Condition 2.2(b), payment of interest on any Interest Payment Date shall not be deferred and the Issuer shall pay Cash Interest at the Cash Interest Rate if:

(i) the operating cash flow (determined in accordance with IFRS), *minus* Maintenance Capital Expenditure of the Issuer and its Subsidiaries (on an attributable basis) for the half-year period immediately preceding such Interest Payment Date is no less than US$5,000,000; and

(ii) the Issuer and its Subsidiaries (on a consolidated basis) would have, after giving *pro forma* effect to the Cash Interest payment in question, no less than US$50,000,000 of cash and Cash Equivalents (net of any Restricted Cash) as of the day falling 15 calendar days before the relevant Interest Payment Date.

If Cash Interest will be payable under this Condition 2.2(c), the Issuer shall give at least 10 days' notice thereof (including calculations showing the items listed in sub-paragraphs (i) and (ii) above) to the Trustee, the Paying Agents and the Noteholders prior to the relevant Interest Payment Date.

(d) Notwithstanding that the conditions set out in Conditions 2.2(c)(i) and (ii) are not satisfied, the Issuer may elect to pay Cash Interest in respect of some or all of the interest due on a Note in respect of any interest period by giving at least 10 days' notice to the Trustee, the Paying Agent and the Noteholders prior to the relevant Interest Payment Date. That notice must specify the

percentage of each Note (which shall be 25%, 50%, 75% or 100%) which will pay Cash Interest and the percentage of each Note which will pay PIK Interest on the relevant Interest Payment Date. The portion of the Note that is specified in such notice as paying Cash Interest will bear interest for the relevant interest period at the Cash Interest Rate. The portion of the Note that is specified in such notice as paying PIK Interest will bear interest for the relevant interest period at the PIK Interest Rate. The Issuer may not make this election in respect of the final interest period prior to the Maturity Date, upon which date all deferred PIK Interest shall be paid in cash. Under this Condition 2.2(d), the applicable amount of:

(i) Cash Interest is payable on the relevant Interest Payment Date; and

(ii) PIK Interest is deferred and will be treated as PIK Interest for the purposes of Condition 2.2(b).

(e) The Issuer will make each interest payment to the Noteholders of record on the Record Date relating to the Interest Payment Date in question.

(f) Deferred PIK Interest may be paid in cash (in whole or in part) at the option of the Issuer on any subsequent Interest Payment Date provided that the same early redemption premium that would apply to an early redemption of a Note under Condition 3.1 (*Optional Redemption*) will apply to the amount of deferred PIK Interest being paid on the relevant Interest Payment Date.

(g) Interest (whether Cash Interest, PIK Interest or interest to be accrued on PIK Interest) will be computed on the basis of a 360-day year comprised of twelve 30-day months and, in the case of an incomplete month, the number of actual days elapsed.

(h) The computation of interest is the responsibility of the Issuer. The Trustee and the Agents shall not be responsible for nor incur any liability in relation to any computation of interest made by the Issuer.

2.3 ***Payment***

(a) Payment of principal and Cash Interest will be made by the Principal Paying Agent in US dollars by wire transfer in same day funds to the registered account of each Noteholder. Payment of principal and premium (if any) will only be made against surrender of the certificate evidencing the relevant Note at the specified office of any of the Paying Agents.

(b) Without prejudice to the rights of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor as set forth in these Conditions and the Trust Deed or (ii) institute suit for the enforcement of any payment on or with respect to such holder's Notes, payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 4 (*Taxation*).

(c) Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that date is not a Business Day, for value the first following day which is a Business Day) will be initiated by the Principal Paying Agent on the due date for payment or, in the case of a payment of principal, if later, on the Business Day on which the relevant Note is surrendered at the specified office of a Paying Agent.

(d) Noteholders will not be entitled to any additional interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the relevant Noteholder is late in surrendering its Note (if required to do so). If the amount of principal or interest is not paid in full when due, the Registrar will annotate the relevant Register with a record of the amount actually paid.

3. REDEMPTION

3.1 *Optional Redemption*

At any time and from time to time after the Issue Date, the Issuer may, at its option, redeem all or some of the Notes upon not less than 10 nor more than 60 days' prior notice, at the redemption prices, expressed as percentages of the principal amount of such Notes, set forth below, plus Additional Amounts (as defined in Condition 4 (*Taxation*)) if applicable as of, and accrued and unpaid interest (including deferred PIK Interest in respect of the relevant Notes) to, the redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on any intervening Interest Payment Date) if redeemed during the 12 month period beginning on 29 January of the years indicated below:

Year	Percentage
2018	105.00%
2019	104.00%
2020	103.00%
2021	102.00%
2022	101.00%
2023	100.00%

3.2 *Mandatory Redemption*

Other than with respect to the purchase of Deutsche Bank AG, London Branch's rights and obligations under the LH Revolving Credit Facility by the Issuer on or about the Issue Date, in the event that the Issuer or any of its Subsidiaries or any other Person on behalf of the Issuer or any of its Subsidiaries repays or prepays all or any part of the LH Revolving Credit Facility while the Notes remain outstanding (other than a payment in respect of interest or fees payable under the LH Revolving Credit Facility made by or on behalf of Langer Heinrich Uranium (Pty) Limited), the Issuer will concurrently redeem an equal principal amount of Notes (the "**Mandatory Redemption**") at the redemption prices set forth in Condition 3.1 (*Optional Redemption*) plus accrued but unpaid interest (including deferred PIK Interest in respect of the Notes being redeemed), and Additional Amounts, if any, from the Issue Date to the date of the Mandatory Redemption.

3.3 *Selection; Notice*

If less than all of the Notes are to be redeemed at any time, the Notes will be redeemed on a *pro rata* basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates to a *pro rata* selection as the Registrar deems fair and appropriate) unless otherwise required by law or by a relevant clearing system or by an applicable stock exchange or depositary requirements. No Note may be redeemed in part. In the case of a global Note where some only of the Notes are being redeemed, an appropriate notation will be made on such global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Once notice of redemption is sent to the Noteholders, Notes or portions thereof called for redemption will become due and payable at the redemption price on the redemption date (subject to the satisfaction of any conditions precedent set forth in the redemption notice), and, commencing on the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless payment of the redemption monies and/or accrued interest (if any) is improperly withheld or refused, in which case interest will continue to accrue as provided in the Trust Deed. The Trustee shall not be liable to any person for any selections made under this Condition.

Any redemption notice given under this Condition 3 may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions.

4. TAXATION

4.1 *Additional Amounts*

(a) All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each a "**Payor**") under or with respect to the Notes, or under or with respect to any Guarantee, as applicable, will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment, deduction, withholding or other governmental charge (including penalties, fines, interest and other additions related thereto) (hereinafter "**Taxes**"), unless such withholding or deduction is required by law.

(b) If any amounts are required to be withheld, deducted or remitted for or on account of Taxes imposed or levied by or on behalf of Australia, any jurisdiction from or through which payment is made and (if different) any jurisdiction to which the payment is effectively connected and in which the payor has a permanent establishment or is resident for tax purposes or engages in business for these purposes, and, in each case, any political subdivision or taxing authority thereof or therein (each a "**Relevant Taxing Jurisdiction**") from any payment made under or with respect to the Notes or a Guarantee, the Payor, to the fullest extent then permitted by law, will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by Noteholders or beneficial owners of the Notes (including Additional Amounts) after such withholding, deduction or remittance will not be less than the amount such holder or beneficial owner of the Notes would have received if such Taxes had not been withheld, deducted or remitted; *provided*, *however*, that the foregoing obligation to pay Additional Amounts shall not apply to:

(i) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction but excluding any connection arising from the ownership or holding of such Note, the enforcement of rights under such Note following an Event of Default or the receipt of payment in respect of such Note;

(ii) estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(iii) any Taxes that would not have been imposed but for the presentation of the Note by the holder for payment (where presentation is required in order to receive payment) more than 30 days after the date on which such payment on such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(iv) any Taxes imposed on or with respect to any payment by the Issuer or a Guarantor to the holder on the sole basis that such holder is a fiduciary or partnership or any person other than the beneficial owner of such payment or to the extent that a beneficiary or settlor with respect of such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(v) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable) or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto;

(vi) if and to the extent that the relevant holder or beneficial owner could have avoided or reduced such withholding or deduction by making a declaration of residence, non-

residence, double taxation or other treaty relief or other similar claim for exemption or reduction to the appropriate authority;

(vii) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges by reason of the holder being an associate of the Issuer for the purposes of section 128F of the Income Tax Assessment Act 1936 of Australia (as amended); or

(viii) any combination of the above.

(c) The Payor will make all required withholdings and deductions and will remit the full amount required to be deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Issuer will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies or other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Noteholders upon reasonable request and will be made available at the offices of the Paying Agent.

(d) If any Payor is obliged to pay Additional Amounts under or with respect to any payment made on any Note or any Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

(e) Whenever in the Trust Deed or the Conditions there is mentioned, in any context (i) the payment of principal; (ii) purchase prices in connection with a purchase of Notes; (iii) interest; or (iv) any other amount payable on or with respect to any of the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(f) The Payor will pay any present or future stamp, issuance, registration, transfer or documentary taxes or any other excise or property taxes, charges or similar levies, and any penalties, additions to tax or interest due with respect thereto, that may be imposed in connection with the execution, delivery, or registration of, or receipt of payment with respect to, any Notes, any Guarantee, the Trust Deed or any other document or instrument referred to therein, or in any relevant jurisdiction in connection with any enforcement action following an Event of Default.

(g) The obligations described under this heading will survive any termination or discharge of the Notes and the Trust Deed and will apply *mutatis mutandis* to any jurisdiction in which any successor person to a Payor is organised, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under or with respect to the Notes (or any Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

(h) All references made to the payment of an amount in this Condition 4.1 include amounts deemed to be have been paid under applicable law, and references to the receipt of such amounts shall have a corresponding meaning, unless the context otherwise requires.

4.2 ***Redemption for Changes in Withholding Taxes***

(a) The Issuer may redeem all, and not some of, the Notes, at its option, at any time, upon not less than 10 nor more than 60 days' notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (including deferred PIK Interest in respect of the Notes) (if any) to the date of redemption (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on any intervening Interest Payment Date), in the event the Issuer or a Guarantor has

become or would become obliged to pay, on the next date on which any amount would be payable with respect to the Notes or the relevant Guarantee, any Additional Amounts as a result of:

(i) a change in or an amendment to the laws (including any regulations or rulings promulgated thereunder) of, or any treaties applicable to, any Relevant Taxing Jurisdiction (or any political subdivision or taxing authority thereof or therein); or

(ii) any change in or amendment to any official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a judgment by a court of competent jurisdiction),

which change or amendment is finally announced or becomes effective on or after the Issue Date (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the Issue Date, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction) (but, in the case of such Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor that can pay such amount without the obligation to pay Additional Amounts) and the Issuer or such Guarantors, as the case may be, cannot avoid such obligation by taking reasonable measures available to it.

(b) Before the Issuer notifies the Noteholders of a redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officers' Certificate to the effect that the Issuer and the Guarantors cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to them. The Issuer will also deliver an Opinion of independent legal Counsel of recognised standing and an Officers' Certificate, each stating that the Issuer or the relevant Guarantor would be obliged to pay Additional Amounts as a result of a change in laws, treaties, regulations or rulings or the application or interpretation of such laws, treaties, regulations or rulings. The Trustee shall accept the Officers' Certificates and such Opinion as sufficient evidence of the satisfaction of the conditions precedent described above without further liability to the Noteholders in respect thereof.

5. CHANGE OF CONTROL

5.1 Upon the occurrence after the Issue Date of a Change of Control (as defined below), each Noteholder will have the right to require that the Issuer purchase all or some only (equal to US$200,000 and any integral multiple of US$1,000 in excess thereof) of such Noteholder's Notes at a purchase price in cash equal to 103% of the principal amount thereof on the date of purchase plus Additional Amounts if applicable, as of, and accrued and unpaid interest (including deferred PIK Interest in respect of the Notes) (if any) to the date of purchase (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on any intervening Interest Payment Date).

5.2 For purposes of these Conditions, a "**Change of Control**" occurs:

(a) if a person who does not own or control at least 50% of the shares in the Issuer immediately after the issue of the Notes on the Issue Date, or does not control voting rights with respect to at least 50% of the shares in the Issuer immediately after the issue of the Notes on the Issue Date, acquires ownership or control of more than 50% of the shares in the Issuer or control of voting rights with respect to more than 50% of the shares in the Issuer (where "control" has the meaning given in the Corporations Act 2001 (Cth)), in each case, arising other than as a result of one or more transfer of shares that is sanctioned by an Australian court under section 444GA of the Corporations Act 2001 (Cth) and specifically contemplated under a deed of company arrangement dated 8 December 2017 between the Issuer and Matthew Woods, Hayden White and Gayle Dickerson (as administrators and deed administrators of the Issuer) and others (the "**Deed of Company Arrangement**"); or

(b) upon the direct or indirect acquisition, in one or a series of related transactions, of (i) all or substantially all of the properties or assets of Issuer and its Subsidiaries taken as a whole to any Person (as that term is defined above); or (ii) ownership or control of more than 50% of the shares in the Issuer (other than by any person that owns or controls more than 50% of the shares in the Issuer immediately after the issue of the Notes on the Issue Date (where control has the meaning given in the Corporations Act 2001 (Cth)), in each case, arising other than as a result of one or

more transfer of shares that is sanctioned by an Australian court under section 444GA of the Corporations Act 2001 (Cth) and specifically contemplated under the Deed of Company Arrangement.

5.3 Within 30 days following any Change of Control, the Issuer will notify each holder of the Notes in accordance with Condition 17 (*Notices*) with a copy to the Trustee (a "**Change of Control Offer**", which term shall include any offer described in Condition 5.4) stating:

(a) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes at a purchase price in cash equal to 103% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest (including deferred PIK Interest in respect of the Notes) (if any) to the date of purchase (subject to the right of Noteholders of record on the relevant Record Date to receive interest on any intervening Interest Payment Date);

(b) the circumstances and relevant facts regarding such Change of Control;

(c) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

(d) the instructions, as determined by the Issuer, consistent with this Condition 5, that a holder must follow in order to have its Notes purchased.

5.4 The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes a Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption for the redemption of all of the Notes has previously been given pursuant to Condition 3, unless there has been a Default in payment of the applicable redemption price.

5.5 The Issuer will comply with the requirements of applicable securities laws or regulations in connection with the purchase of Notes as a result of a Change of Control. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this Condition 5, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Condition 5 by virtue of its compliance with such securities laws or regulations.

5.6 The provisions of this Condition 5 relative to the obligations of the Issuer to make an offer to purchase the Notes as a result of a Change of Control may be waived or modified with approval of an extraordinary resolution of Noteholders or the written consent of, the Noteholders of a majority in principal amount of the Notes for the time being outstanding.

6. GUARANTEES

6.1 *Guarantee*

(a) The Guarantors, in Guarantees contained in the Trust Deed, will jointly and severally guarantee (subject to the provisions of Condition 6.1(e)), on a senior secured basis (and in respect of the Canadian Guarantors, only as from the Canadian Security Date), the Issuer's obligations under the Trust Deed and the Notes.

(b) A Guarantor may not in a single transaction or through a series of transactions consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of such Guarantor's properties and assets to any other Person or Persons (other than the Issuer or another Guarantor).

(c) Condition 6.1(b) will not apply if:

(i) (x) either at the time and immediately after giving effect to any such consolidation or merger, such Guarantor shall be the continuing Person or (y) the Person formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of such

Guarantor's properties has been made expressly assumes the obligations of such Guarantor under its Guarantee, pursuant to a supplemental Trust Deed, in form and substance reasonably satisfactory to the Trustee, and the Notes and the Trust Deed remain in full force and effect as so supplemented; or

(ii) the Net Available Cash of such sale or other disposition is applied in accordance with Condition 8.3.

(d) The Guarantee of a Guarantor will be released:

(i) upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;

(ii) in connection with any sale or other disposition of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Subsidiary, if the sale or other disposition does not violate Condition 8.3; or

(iii) in connection with any sale or other disposition of Capital Stock of such Guarantor (or Capital Stock of any direct or indirect parent entity of such Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Subsidiary, if the sale or other disposition does not violate Condition 8.3.

(e) Upon any occurrence giving rise to a release of a Guarantee, as specified above, the Trustee, subject to receipt of an Officer's Certificate certifying the provisions and circumstances pursuant to which the release of the relevant Guarantee is taking place (on which the Trustee shall be entitled to rely absolutely) from the Issuer and/or the relevant Guarantor and an Opinion of Counsel stating that all conditions precedent in respect of such release have been satisfied (on which certificate and opinion the Trustee shall be entitled to rely absolutely and without liability for any action they take or omit to take in reliance thereon), will, at the Issuer's request and expense, execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Guarantee. Neither the Issuer, the Trustee nor any Guarantor will be required to make a notation on the Notes to reflect any such release, discharge or termination.

6.2 ***Guarantor Coverage Test***

(a) The Issuer shall ensure that the Guarantor Coverage Test is satisfied within 60 days of each half-year period for which financial statements are provided in accordance with the Australian Securities Exchange Listing Rules, by reference to such financial statements (the "**Test Date**").

(b) If, in accordance with the provisions of Condition 6.2(a) above, the Guarantor Coverage Test is not satisfied on the relevant Test Date, the Issuer shall ensure that within 60 days of the Test Date, such other Subsidiaries (as the Issuer may elect) shall accede to the Trust Deed as Guarantor to ensure that the Guarantor Coverage Test is satisfied (calculated as if such additional Guarantors had been Guarantors at the Test Date). If the Guarantor Coverage Test is satisfied within such 60-day time period, no Default, Event of Default or other breach of these Conditions shall arise in respect thereof.

(c) For the purpose of calculating:

(i) a Guarantor's contribution to the Guarantor Coverage Test under Conditions 6.2 (a) and (b), any entity having negative earnings before interest, tax, depreciation and amortisation shall be deemed to have zero earnings before interest, tax, depreciation and amortisation;

(ii) the Guarantor Coverage Test, the earnings before interest, tax, depreciation and amortisation, the revenue and the total assets of any entity which is not required to be (or cannot become) a Guarantor due to certain legal prohibitions as set forth in

Condition 8.13(c) (*Limitation on Issuances of Guarantees of Indebtedness*), the earnings, before interest, tax, depreciation and amortisation, the revenue and the total assets of such entity shall solely for this purpose be excluded (x) as a Guarantor from the numerator and (y) as a member of the Group from the denominator for the purposes of calculating the Guarantor Coverage Test;

(iii) the Guarantor Coverage Test, the earnings before interest, tax, depreciation and amortisation, the total assets and the revenues of Paladin Canada Investments (NL) Ltd, Paladin Energy Canada Ltd and Aurora Energy Ltd shall solely for this purpose be excluded from the denominator for so long as the granting of guarantees by such entities is prohibited under the arrangements entered into with EDF (in their form existing as of 4 July 2017); and

(iv) the Guarantor Coverage Test, the earnings before interest, tax, depreciation and amortization, the total assets and the revenues of Langer Heinrich Uranium (Pty) Ltd and Langer Heinrich Mauritius Holdings Limited shall solely for this purpose be excluded from the denominator for so long as the granting of guarantees by such entities is prohibited under the arrangement entered into with CNNC Overseas Uranium Holding Limited (in their form as of 4 July 2017).

7. SECURITY

7.1 *Release of Collateral*

(a) Upon receipt of an Officer's Certificate and an Opinion of Counsel, the Security Trustee shall release, and the Trustee shall, if so requested, direct the Security Trustee to release, in accordance with the terms of the Security Trust Deed, and without the need for consent of the Noteholders, Liens over the property and other assets constituting Collateral securing the Notes and the Guarantees:

(i) upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;

(ii) in connection with any sale or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Issuer or any of its Subsidiaries; *provided that*, (i) the sale or other disposition does not violate Condition 8.3 and (ii) any replacement assets simultaneously become subject to an equivalent Lien of the same or more senior ranking in favour of the Security Trustee for the benefit of the Noteholders concurrent with such sale or other disposition; *provided further* that, such sale or other disposition of such property or assets is permitted by the Trust Deed;

(iii) in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Trust Deed, the release of the property and assets, and Capital Stock, of such Guarantor;

(iv) in accordance with Condition 8.19 (*Impairment of Collateral*);

(v) with the consent of an extraordinary resolution of the Noteholders or the written consent of the Noteholders of a majority in principal amount of the Notes for the time being outstanding; or

(vi) in connection with certain enforcement actions taken by the creditors in accordance with the Security Trust Deed and the Security Documents.

(b) Upon any occurrence giving rise to a release of Collateral, as specified above, the Security Trustee, subject to receipt of an Officer's Certificate certifying the provisions and circumstances pursuant to which the release of the relevant Collateral is taking place (on which the Security Trustee shall be entitled to rely absolutely) from the Issuer and/or the Guarantor and an Opinion of Counsel stating that all conditions precedent in respect of such release have been satisfied (on

which certificate and opinion the Trustee and Security Trustee shall be entitled to rely absolutely and without liability for any action they take or omit to take in reliance thereon), will, at the Issuer's request and expense, execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Collateral. Neither the Issuer, the Security Trustee, the Trustee nor any Guarantor will be required to make a notation on the Notes to reflect any such release, discharge or termination. Each of the releases set out above shall be effected by the Security Trustee without the consent of the Noteholders (save as provided in Condition 7.1(a)(v), if applicable or any action on the part of the Trustee.

(c) Any release of the Collateral shall be in accordance with the provisions of the Security Trust Deed and the Security Documents. None of the Trustee or the Security Trustee shall be responsible to any person for release of all or part the Collateral pursuant to the Security Trust Deed or the Security Documents or for monitoring or investigating the conditions of release of all or part the Collateral.

8. COVENANTS

8.1 *Limitation on Indebtedness*

(a) The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Subsidiaries to issue any shares of Preferred Stock; *provided, however*, that the Issuer may Incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and the Subsidiaries may Incur Indebtedness (including Acquired Debt) or issue Preferred Stock, in each case, if the Fixed Charge Coverage Ratio for the Issuer's most recently ended two half-year periods for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have exceeded 2.0 to 1.0, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if such Indebtedness had been Incurred or such Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such two half-year periods; *provided further*, that, such Indebtedness shall be subordinated in right of payment to the Notes pursuant to the Subordination Agreement and shall be unsecured; *provided further*, that, the Issuer shall, no later than 15 days following the Incurrence of Indebtedness in accordance with this Condition 8.1(a), apply the proceeds therefrom to redeem the Notes in accordance with Condition 3 (*Redemption*) and at the redemption prices set forth in Condition 3.1 (*Optional Redemption*), plus any Additional Amounts as of, and accrued and unpaid interest (including deferred PIK Interest in respect of the Notes) (if any) to, the redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on any intervening Interest Payment Date).

(b) Condition 8.1(a) will not prohibit the Incurrence of any of the following items of Indebtedness ("**Permitted Indebtedness**"):

(i) Indebtedness owed to and held by the Issuer or a Subsidiary; *provided, however* that any Indebtedness owed by the Issuer or a Subsidiary to the Issuer or a Subsidiary shall by its terms be Subordinated Indebtedness in accordance with the terms of the Subordination Agreement;

(ii) Indebtedness represented by the Notes (including any deferred PIK Interest) and the Guarantees;

(iii) Indebtedness of the Issuer or any Subsidiary set forth in Schedule 6 to the Trust Deed;

(iv) Indebtedness of any Person that is assumed by the Issuer or any Subsidiary in connection with its acquisition of assets from such Person or any Affiliate thereof or that is issued and outstanding on or prior to the date on which such Person was acquired by the Issuer or any Subsidiary or merged or consolidated with or into the Issuer or any Subsidiary (other than Indebtedness Incurred to finance, or otherwise Incurred in connection with, or in contemplation of, such acquisition, merger or consolidation),

provided that (A)(a) on the date of such acquisition, merger or consolidation, after giving *pro forma* effect thereto, the Issuer could Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio in clause (a) of this Condition 8.1 or (b) the Fixed Charge Coverage Ratio is equal to or greater than the Fixed Charge Coverage Ratio immediately prior to giving such *pro forma* effect thereto; and (B) such Indebtedness is discharged within 90 days of any such acquisition and such Indebtedness is not guaranteed by the Issuer or any Subsidiary, other than by the acquired Person until such Indebtedness is discharged within 90 days of such acquisition;

(v) the Incurrence of Refinancing Indebtedness by the Issuer or any Subsidiary in exchange for or the net proceeds of which are used to refund, replace, defease or refinance Indebtedness Incurred by the Issuer or any Subsidiary pursuant to clause (a) of this Condition 8.1 or sub-clause (ii), (iii) or this sub-clause (v) of this Condition 8.1(b);

(vi) Obligations in respect of worker's compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, stay, customs, appeal, surety bonds and similar bonds and completion guarantees provided by the Issuer or any Subsidiary in the ordinary course of business;

(vii) Indebtedness arising from agreements of the Issuer or a Subsidiary providing for indemnification, adjustment of purchase price, earn-out or similar Obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Subsidiary; *provided* that such Indebtedness is not reflected on the balance sheet of the Issuer or any Subsidiary (it being understood that contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on such balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause);

(viii) Indebtedness of the Issuer or any Subsidiary in respect of (A) letters of credit, bankers' acceptances, bank guarantees or other similar instruments or obligations issued, or relating to liabilities or obligations Incurred, in the ordinary course of business and not in connection with the borrowing of money (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), or (B) decrees, attachments or awards or completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations or take-or-pay obligations contained in supply agreements, provided, or relating to liabilities or obligations Incurred, in the ordinary course of business; *provided* that, with respect to the drawing of letters of credit, such Indebtedness is reimbursed within 30 days following such drawing;

(ix) Purchase Money Indebtedness and Capital Lease Obligations incurred by the Issuer or any Subsidiary for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Issuer or any of its Subsidiaries (including any reasonable fees and expenses Incurred in connection with such purchase, design, construction, installation or improvement), and any Refinancing Indebtedness with respect thereto, in an aggregate principal amount at any time outstanding not exceeding US$2.0 million;

(x) the Incurrence by the Issuer or any of its Subsidiaries of Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within ten Business Days;

(xi) customer deposits and advance payments (not in connection with the borrowing of money) received from customers for goods or services purchased in the ordinary course of business;

(xii) any guarantee (A) by the Issuer or a Subsidiary of Indebtedness of the Issuer or any Subsidiary permitted to be Incurred by another provision of this Condition 8.1; *provided* that any such guarantee by a Subsidiary is made in compliance with Condition 8.13 (*Limitation on Issuances of Guarantees of Indebtedness*) or (B) by a Subsidiary that is not a Guarantor of Indebtedness of a Subsidiary that is not a Guarantor that was permitted to be Incurred by any other provision of this Condition 8.1;

(xiii) Indebtedness of the Issuer or any Subsidiary arising as a result of implementing composite accounting or other cash pooling arrangements, treasury or cash management arrangements or netting or setting off arrangements involving solely the Issuer and other members of the Group or solely among the members of the Group;

(xiv) any Project Finance Indebtedness by the Issuer or any Subsidiary, in an aggregate principal amount at any time outstanding not to exceed US$20.0 million; *provided* that such Project Finance Indebtedness relates, directly or indirectly, to the operations of the Langer Heinrich mine in Namibia;

(xv) any shareholder advances Incurred by Langer Heinrich Uranium (Pty) Ltd and lent by CNNC Overseas Uranium Holding Limited; *provided* that the Issuer or any Subsidiary makes an advance or shareholder advance to Langer Heinrich Uranium (Pty) Ltd in proportion to the respective shareholding of CNNC Overseas Uranium Holding Limited and the Group in Langer Heinrich Uranium (Pty) Ltd;

(xvi) any Indebtedness Incurred by the Issuer or any Subsidiary under trade accounts arising in the ordinary course of business on arm's length terms in an aggregate principal amount at any time outstanding not to exceed US$2.0 million;

(xvii) any Indebtedness Incurred by the Issuer or any Subsidiary in an aggregate principal amount at any time outstanding not to exceed US$2.0 million under transactional banking facilities (which are, or are in the nature of, a payaway limit, credit card, merchant pre-payment exposure, intra-day facility or similar facility used as part of the ordinary day-to-day operation of the business of the Group); *provided* that such Indebtedness shall be reimbursed within 90 days of Incurrence; and

(xviii) Indebtedness of the Issuer or any Guarantor (other than and in addition to Indebtedness permitted under sub-clauses (i) to (xviii) (inclusive) of this Condition 8.1(b)) in an aggregate principal amount at any time outstanding not to exceed US$5.0 million.

(c) Notwithstanding anything to the contrary contained herein, the aggregate principal amount of Indebtedness that is permitted to be Incurred by Non-Guarantor Subsidiaries pursuant to Condition 8.1(a) shall not exceed US$2.0 million at any time outstanding.

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with this Condition 8.1:

(i) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and may include the amount and type of such Indebtedness in one or more of the above clauses (including in part under one clause and in part under another such clause);

(ii) any other Obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this Condition 8.1) arising under any guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument or obligation securing or supporting such Indebtedness (other than such guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument issued by the Issuer or a Guarantor and securing or supporting Indebtedness of a Subsidiary that is not a Guarantor) shall be disregarded to the extent that such guarantee, Lien, letter of credit,

bankers' acceptance or other similar instrument or obligation secures or supports such Indebtedness; and

(iii) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

(e) For purposes of determining compliance with this Condition 8.1, the US Dollar Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than the US dollar, and such refinancing would cause the applicable US dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such US dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the US Dollar Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreement. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

(f) The Issuer will not, and will not permit any Subsidiary, directly or indirectly, to Incur any Hedging Obligations other than forward uranium sales contracts entered in the ordinary course of business and in accordance with customary industry practice.

8.2 ***Limitation on Restricted Payments***

The Issuer will not, and will not permit any Subsidiary, directly or indirectly, to make any Restricted Payment.

8.3 ***Limitation on Sales of Assets and Subsidiary Stock***

(a) The Issuer will not, and will not permit any Subsidiary to consummate any Asset Disposition, unless:

(i) the Issuer or such Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value of the shares and assets subject to such Asset Disposition; and

(ii) 100% of the consideration thereof received by the Issuer or such Subsidiary is in the form of (A) cash or (B) Cash Equivalents.

(b) If the Issuer or any Subsidiary consummates an Asset Disposition, the Issuer or such Subsidiary shall, no later than 15 days following the consummation of such Asset Disposition, apply an amount equal to all Net Available Cash therefrom to redeem the Notes in accordance with Condition 3 and at the redemption prices set forth in Condition 3.1 (*Optional Redemption*), plus any Additional Amounts as of, and accrued and unpaid interest (including deferred PIK Interest in respect of the Notes) (if any) to, the redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on any intervening Interest Payment Date).

8.4 ***Limitation on Liens***

The Issuer will not, and will not permit any Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "**Initial Lien**"), except (a) in the case of any asset or property that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if obligations under the Notes and the Trust Deed are directly secured equally and rateably with, or prior to in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens. Any such Lien created in favour of the Security Trustee pursuant to clause (a)(2) above will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

8.5 ***Merger and Consolidation***

(a) *The Issuer*

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation) or (2) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Issuer and the Subsidiaries taken as a whole, in either case, in one or more related transactions, to another Person, unless:

(i) either: (a) the Issuer is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organised or existing under the laws of any state of Australia, any member state of the European Union, the United Kingdom, the District of Columbia or any state of the United States of America, or Singapore;

(ii) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made will expressly assume, by supplemental trust deed, executed and delivered to the Trustee, all the obligations of the Issuer under the Trust Deed, the Notes, the Subordination Agreement, the Security Trust Deed, and the Security Documents to which it is a party, as applicable;

(iii) immediately after giving pro forma effect to such transaction or transactions (and treating any Indebtedness which becomes an obligation of the surviving Person as a result of such transaction as having been Incurred by the surviving Person at the time of such transaction or transactions), no Default or Event of Default exists;

(iv) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable two half-year periods (a) be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to Condition 8.1(a) or (b) have a Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction; and

(v) the Issuer delivers to the Trustee an Officer's Certificate and Opinion(s) of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental trust deed (if any) comply with this Condition, that all conditions precedent in the Trust Deed relating to such transaction have been satisfied and that such supplemental trust deed constitutes the legal, valid and binding obligation of the Issuer or the Person formed by or surviving any such consolidation or merger (as applicable), enforceable in accordance with its terms (provided that any such Opinion of Counsel may assume

matters of fact, including as a factual matter that one or more conditions precedent have occurred, and may contain customary qualifications).

In the event of any transaction described in and complying with the conditions listed in the immediately preceding paragraph in which the Issuer is not the continuing Person, the successor Person formed or remaining or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of the Issuer, and the Issuer will be (other than in the case of a lease of all or substantially all of its assets) discharged from all obligations and covenants under the Trust Deed, the Security Trust Deed, the Subordination Agreement, the Security Documents to which it is a party and the Notes.

(b) *The Guarantors*

The Guarantors will not, directly or indirectly: (i) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving corporation) or (ii) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(i) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(ii) either:

(a) (i) such Guarantor is the surviving Person; or (ii) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made will expressly assume, by supplemental trust deed, executed and delivered to the Trustee, all the obligations of such Guarantor under its Guarantee, the Trust Deed, the Security Trust Deed, the Subordination Agreement, and the Security Documents to which it is a party; or

(b) the Net Available Cash of such sale or other disposition are applied in accordance with Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*).

8.6 ***Acts by Noteholders***

(a) In determining whether the Noteholders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer, the Guarantors or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding, except for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee actually knows are so owned will be disregarded.

(b) Any Notes repurchased by the Issuer shall be cancelled.

8.7 ***Governmental Approvals and Licences; Compliance with Law***

The Issuer shall, and shall cause each Subsidiary to, (a) obtain and maintain in full force and effect all governmental approvals, authorisations, consents, permits, concessions and licences as are necessary to engage in the Permitted Businesses, and as necessary under these Conditions, the Security Trust Deed, the Subordination Agreement, and the Security Documents, (b) preserve and maintain good and valid title to its properties and assets (including land use rights) free and clear of any Liens other than Permitted Liens, and (c) comply with all laws, regulations, orders, judgments, rules of any applicable stock exchange and decrees of any governmental body or competent jurisdiction, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (i) the business, results of operations or prospects of the Issuer and its Subsidiaries,

taken as a whole, or (ii) the ability of the Issuer or any Subsidiary to perform its obligations under the Notes, the relevant Guarantee or the Trust Deed.

8.8 ***Payment of Taxes and other Claims***

The Issuer shall pay or discharge, and cause each of its Subsidiaries to pay or discharge, before the same become delinquent (a) all taxes, assessments and governmental charges levied or imposed upon the Issuer or any Subsidiary or their respective income or profits or property and (b) all lawful claims for labour, materials and supplies that, if unpaid, might by law become a Lien upon the property of the Issuer or any Subsidiary, other than any Permitted Liens.

8.9 ***Corporate Existence***

Subject to Condition 8.5, the Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its company existence, and the corporate, partnership, limited liability company or other existence of each of the Subsidiaries, in accordance with the respective organisational documents (as the same may be amended, supplemented or otherwise modified from time to time) of the Issuer or any such Subsidiary and (ii) the rights (charter and statutory), licences and franchises of the Issuer and the Subsidiaries; *provided* that the Issuer shall not be required to preserve any such right, licence or franchise, or the corporate, partnership, limited liability company or other existence of any of the Subsidiaries, if the Issuer in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Issuer and the Subsidiaries, taken as a whole. Furthermore, nothing in this clause shall prohibit a consolidation or merger permitted by any other provision of these Conditions.

8.10 ***Insurance***

The Issuer shall maintain in effect, and cause each of its Subsidiaries to maintain in effect, insurance to insure against damages to person or property which are customary in the Permitted Businesses; *provided* that the Issuer shall not be required to preserve any such insurance, if the Issuer in good faith shall determine that such insurance is no longer desirable in the conduct of the business of the Issuer and the Subsidiaries, taken as a whole.

8.11 ***Post-Issue Date Collateral***

(a) The Issuer will, promptly after Liens over the Michelin Project Assets in favour of EDF has been released, grant first ranking Liens in favour of the Security Trustee over the Michelin Project Assets by executing and delivering to the Security Trustee Security Documents that are in form and substance reasonably satisfactory to the Security Trustee, and other documents as necessary to provide and perfect first ranking Liens over the Michelin Project Assets for the benefit of the Noteholders.

(b) The Issuer will procure that, within 30 days of the Issue Date (the "**Canadian Security Date**"):

(i) the Canadian Guarantors grant first ranking Liens in favour of the Security Trustee over all their assets other than over their Participating Interest (as defined in the Joint Venture Agreement dated February 2011 between Michelin Uranium Ltd, Paladin Canada Holdings (NL) Ltd, Paladin Canada Investments (NL) Ltd and Aurora Energy Ltd ("**Michelin Joint Venture Agreement**"); and

(ii) the Canadian Guarantors request and use reasonable endeavours to obtain consent from EDF (but provided that neither the Issuer nor the Canadian Guarantors shall be required to act to their material commercial detriment in order to obtain such consent) in relation to the granting of first ranking Liens over their Participating Interest (as defined in the Michelin Joint Venture Agreement), and if consent is granted, must grant such Liens over their Participating Interest.

(c) The Issuer shall cause any Subsidiary acceding to this Trust Deed as a Guarantor after the Issue Date to grant Liens in favour of the Security Trustee of the same nature as the Liens existing on the property and assets of the initial Guarantors as in effect on the Issue Date.

8.12 ***Capital Expenditures***

Any budget in respect of projected capital expenditures of the Issuer and the Subsidiaries, and any deviation thereof in excess of 10% of the budgeted cost for such capital expenditures, shall be approved by no less than 75% of the members of the Board of Directors of the Issuer.

8.13 ***Limitation on Issuances of Guarantees of Indebtedness***

(a) The Issuer will not cause or permit any Subsidiary that is not a Guarantor to guarantee (whether directly or indirectly) any Indebtedness of the Issuer or any Guarantor, unless (x) the Issuer simultaneously causes such Subsidiary to provide, by way of a supplemental Trust Deed in form and substance reasonably satisfactory to the Trustee, a guarantee of the Notes on a substantially identical basis and ranking senior to or *pari passu* with such Subsidiary's guarantee of such other Indebtedness of the Issuer, which guarantee of the Notes shall be legally valid and enforceable to at least the same degree as such guarantee of other Indebtedness of the Issuer and shall be in effect for so long as such Subsidiary's guarantee of such other Indebtedness of the Issuer remains in effect, and (y) with respect to any guarantee of Subordinated Indebtedness by such Subsidiary, any such guarantee shall be subordinated to such Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Indebtedness is/are subordinated to the Notes. Any guarantee by a Subsidiary of the Notes that is required by the immediately preceding sentence may, as necessary, be subject to any limitation under applicable law (including, without limitation, laws relating to maintenance of share capital, corporate benefit, fraudulent conveyance or transfer, transactions under value, voidable preference and financial assistance), provided that such limitation also applies to such guarantee of such other Indebtedness of the Issuer to at least the same extent as it applies to such guarantee of the Notes.

(b) This Condition 8.13 shall not be applicable to any guarantees by any Subsidiary: (i) that existed at the time such Person became a Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Subsidiary; or (ii) given to a bank or trust company or other financial institution referred to in clause (ii) of the definition of Cash Equivalents in respect of or in connection with the operation of cash management or pooling programs or treasury arrangements or similar arrangements established for the Issuer's benefit or that of any member of the Group; or (iii) with respect to the Notes.

(c) Notwithstanding the foregoing, the Issuer shall not be obliged to cause such Subsidiary to guarantee the Notes pursuant to this Condition 8.13 to the extent that such guarantee by such Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Subsidiary or any liability for the officers, directors or shareholders of such Subsidiary. In the event that the Issuer shall seek, pursuant to the immediately preceding sentence, to cause or permit a Subsidiary to guarantee Indebtedness of the Issuer without such Subsidiary being obliged to guarantee the Notes (and prior to the issuance of such guarantee), the Issuer will deliver to the Trustee an Officers' Certificate to the effect that either (i) such Subsidiary cannot prevent or avoid a violation of applicable law that would reasonably be expected to give rise to or result from the giving of a guarantee by measures reasonably available to it or such Subsidiary or (ii) the giving of the guarantee by a Subsidiary would reasonably be expected to give rise to liability for the officers, directors or shareholders of such Subsidiary and the Trustee shall accept such as sufficient evidence thereof without further liability to the Noteholders or any other Person in respect thereof.

(d) Any additional guarantee created for the benefit of the Noteholders pursuant to this Condition 8.13 will automatically and unconditionally be released under the same conditions and circumstances that the guarantee of the other Indebtedness of the Issuer that gave rise to the obligation to guarantee the Notes will be released, so long as no Event of Default would otherwise arise as a result and no other Indebtedness of the Issuer is at that time guaranteed by the relevant Subsidiary.

8.14 ***Dividend and Other Payment Restrictions Affecting Subsidiaries***

(a) The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any of its Subsidiaries;

(ii) make loans or advances to the Issuer or any of its Subsidiaries; or

(iii) sell, lease or transfer any of its properties or assets to the Issuer or any of its Subsidiaries.

(b) However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements and other instruments governing Indebtedness outstanding on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings to or of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(ii) the Trust Deed, the Security Trust Deed, the Subordination Agreement, the Security Documents to which they are respectively a party and the Notes;

(iii) agreements governing other Indebtedness permitted to be Incurred under the provisions of Condition 8.1 (*Limitation on Indebtedness*) and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the restrictions therein are not materially more restrictive, taken as a whole, than is customary in comparable financings (as determined in good faith by the Issuer);

(iv) applicable laws, rules, regulations or orders governmental licences, concessions, franchises or permits, including restrictions or encumbrances on cash deposits (including assets in escrow accounts);

(v) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Trust Deed to be Incurred;

(vi) customary non-assignment provisions in contracts and licences entered into in the ordinary course of business;

(vii) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (a)(iii) of this Condition;

(viii) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the properties and assets of a Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition;

(ix) Refinancing Indebtedness permitted by the terms of the Trust Deed or these Conditions; *provided* that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(x) Liens permitted to be Incurred under the provisions of Condition 8.4 (*Limitation on Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens;

(xi) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment) entered into with the approval of the Issuer's Board of Directors, which limitation is applicable only to the assets that are the subject of such agreements;

(xii) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(xiii) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing sub-clauses (i) to (xii) inclusive, or in this clause (xiii); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

8.15 ***Transactions with Affiliates***

(a) The Issuer will not, and will not permit any of its Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "**Affiliate Transaction**") involving aggregate payments or consideration for such Affiliate Transaction or series of Affiliate Transactions in excess of US$0.5 million, unless:

(i) the Affiliate Transaction is on terms that are no less favourable to the Issuer or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Subsidiary with a Person that is not an Affiliate of the Issuer or any of its Subsidiaries; and

(ii) the Issuer delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$2.5 million, a resolution of the Board of Directors of the Issuer set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Issuer (or, if there is only one disinterested member of such Board of Directors, such member); and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million but less than US$20.0 million an opinion from an accounting, appraisal or investment banking firm of national standing in Australia, stating that the transaction or series of related transactions is (x) fair from a financial point of view taking into account all relevant circumstances or (y) on terms not less favourable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

(C) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$20.0 million, the Trustee, acting on instructions from the Noteholders of more than 50% in aggregate principal amount of the Notes (in accordance with Condition 13.1 (*Amendments and Waivers*)) or by way of an extraordinary resolution, has given its consent.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(i) any issuance or sale of Capital Stock, options, other equity related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, programme, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultant plans (including, valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided for the benefit of Officers, employees or directors or consultants and approved by the Board of Directors of the Issuer, or any similar arrangement entered into by the Issuer or any of its Subsidiaries, in each case in the ordinary course of business and payments pursuant thereto;

(ii) transactions between or among the Issuer and any Subsidiary, or between or among Subsidiaries;

(iii) transactions with a Person that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Subsidiary, Capital Stock of, or controls, such Person;

(iv) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of Officers, directors, employees or consultants of the Issuer or any of its Subsidiaries;

(v) any issuance of Capital Stock (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer;

(vi) any Permitted Investments (other than Permitted Investments described in clauses (i) or (ii) of the definition thereof);

(vii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labour, in each case in the ordinary course of business and otherwise in compliance with the terms of the Trust Deed and these Conditions that are fair to the Issuer or the Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favourable as might reasonably have been obtained at such time from an unaffiliated Person;

(viii) loans or advances to employees, directors and officers made in the ordinary course of business in an aggregate principal amount at any time not to exceed US$1.0 million;

(ix) any payments or other transactions pursuant to a tax sharing agreement between the Issuer and any other Person or a Subsidiary of the Issuer and any other Person with which the Issuer or any of its Subsidiaries files a consolidated tax return or with which the Issuer or any of its Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Issuer and its Subsidiaries on a stand- alone basis;

(x) transactions pursuant to, or contemplated by, any written agreements in existence on the Issue Date and transactions pursuant to any amendment, modification or extension to or of such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the Noteholders in any material respect than the original agreement as in effect on the Issue Date.

8.16 ***Business Activities***

The Issuer will not, and will not permit any of its Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Subsidiaries taken as a whole.

8.17 ***Payments for Consent***

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of the Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Trust Deed or the Notes unless such consideration is offered to be paid and is paid to all Noteholders that consent, waive or agree to amend in the time frame set out in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Trust Deed or the Notes, to exclude Noteholders in any jurisdiction where (i) the solicitation of such consent waiver or amendment, including in connection with an offer to purchase for cash or (ii) the payment of the consideration therefor would require the Issuer or any of its Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws, the laws of Australia, Canada, and the European Union or its member states or the United Kingdom), in each case, which the Issuer reasonably determines (acting in good faith) (A) would be materially burdensome or (B) would otherwise not be permitted under applicable law in such jurisdiction.

8.18 ***Reports***

As long as any Notes are outstanding, the Issuer will furnish to the Noteholders and to the Trustee:

(a) within 120 days after the end of the Issuer's fiscal year (beginning with the fiscal year ending 30 June 2018), annual reports, which shall contain the following information: (i) consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete footnotes to such financial statements; (ii) an operating and financial review of the financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (iii) a description of the business and management of the Issuer, all material affiliate transactions and a description of all material new contractual arrangements, including material debt instruments (unless such contractual arrangements were described in a previous annual or semi-annual report, in which case the Issuer need describe only any material changes); and (v) material risk factors relating to the business of the Issuer and material recent developments; *provided* that, if and for so long as the Issuer's shares are listed on the Australian Securities Exchange, any item of disclosure that complies in all material respects with the requirements applicable to such item in connection with an annual report filed with the Australian Securities Exchange will be deemed to satisfy the Issuer's obligations under this clause (a) with respect to such item;

(b) within 45 days following the end of the first six months in each fiscal year of the Issuer, semi-annual reports containing the following information: (i) an unaudited condensed consolidated balance sheet of the Issuer as of the end of such period and unaudited condensed consolidated statements of income and cash flow of the Issuer for the half year period ending on the unaudited

condensed consolidated balance sheet date and the comparable prior year period, together with condensed footnote disclosure; (ii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of changes in material commitments and contingencies and changes in critical accounting policies; and (iii) material recent developments; *provided* that, if and for so long as the Issuer's shares are listed on the Australian Securities Exchange, any item of disclosure that complies in all material respects with the requirements applicable to such item in connection with any semi-annual report filed with the Australian Securities Exchange will be deemed to satisfy the Issuer's obligations under this clause (b) with respect to such item;

(c) on or about the time the Issuer furnishes an annual report or semi-annual report to the Noteholders and to the Trustee under Condition 8.18(a)and (b) or is deemed to have satisfied its obligations under Condition 8.18(a)and (b) by filing such report with the Australian Securities Exchange, a report detailing the amount of any loans or other financial accommodation which have been repaid or prepaid by Langer Heinrich Uranium (Pty) Limited to the Issuer or any Guarantor during the period since the last report under this paragraph was provided (or confirmation that no such amounts have been repaid or prepaid); and

(d) promptly after the occurrence of a material acquisition, disposition or restructuring of the Issuer and its Subsidiaries, taken as a whole, any change in the Chief Executive Officer or Chief Financial Officer or change in auditors or members of the Board of Directors of the Issuer or any other material event that the Issuer announces publicly, a report containing a description of such event; *provided* that, if and for so long as the Issuer's shares are listed on the Australian Securities Exchange, any item of disclosure that complies in all material respects with the requirements applicable to such item in connection with ongoing disclosures filed with the Australian Securities Exchange will be deemed to satisfy the Issuer's obligations under this clause (d) with respect to such item.

At the same time as it delivers the financial statements referred to in this Condition 8.18, the Issuer shall deliver to the Trustee an Officer's Certificate certifying its compliance with this Condition 8 and that no Default or Event of Default has occurred or if it has, giving detail of such Default or Event of Default. The Trustee shall have no obligation to read or analyse any information or report delivered to it under this Condition 8.18 and shall have no obligation to determine whether any such information or report complies with the provisions of this Condition 8.18 and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

The Issuer will also make available copies of all reports required by this Condition 8.18(i) on its website and (ii) if and so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, at the specified office of the a Paying Agent with its specified office in Singapore.

8.19 ***Impairment of Collateral***

The Issuer shall not, and shall not permit any Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Liens with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Liens with respect to the Collateral), and the Issuer shall not, and shall not permit any Subsidiary to, grant to any Person other than the Security Trustee, for the benefit of the Security Beneficiaries, any Lien whatsoever in any of the Collateral, except that (1) the Issuer and its Subsidiaries may Incur Permitted Collateral Liens, (2) the Collateral may be discharged and released in accordance with the Trust Deed, the Security Trust Deed or the applicable Security Documents, (3) the Security Trust Deed or applicable Security Documents may be amended from time to time (i) to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein, (ii) to add Collateral, (iii) to evidence the succession of another Person to the Issuer or any Guarantor and the assumption by such successor of the obligations under the Trust Deed, the Notes, the Subordination Agreement and the Security Documents, in each case, in accordance with Condition 8.5 (*Merger and Consolidation*) and (iv) to evidence and provide for the acceptance of the appointment of a successor Trustee or Security Trustee; *provided however*, that, except with respect to any discharge or release in accordance with the Trust Deed, the Security Trust Deed, the applicable Security Documents or these Conditions, the Incurrence of Permitted Liens or any action expressly permitted by the Trust Deed or the Security Trust Deed, the Security Documents may not be amended, extended, renewed,

restated, supplemented, released or otherwise modified or replaced in the circumstances set forth in this Condition 8.19, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the relevant Person and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, released, supplemented, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, release, supplement, modification or replacement (provided that any such Opinion of Counsel may assume matters of fact, including as a factual matter that one or more conditions precedent have occurred, and may contain customary qualifications). In the event that the Issuer or the relevant Subsidiary complies with the requirements of this covenant, the Trustee and the Security Trustee shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Noteholders.

8.20 ***Revocation of Ontario CTO***

The Issuer shall use best efforts to procure (a) the partial revocation by the Ontario Securities Commission of the Cease Trade Order issued against the Company by the Ontario Securities Commission on 4 October 2017 (the "**Ontario CTO**") as soon as practically possible after the Issue Date in order for Noteholders located in Canada to hold the Notes and to provide a copy of such partial revocation order to the Noteholders, and (b) the full revocation by the Ontario Securities Commission of the Ontario CTO within three months after the Issue Date and to provide a copy of such full revocation order to the Noteholders.

9. CURRENCY INDEMNITY

9.1 US dollars are the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Notes and the Trust Deed (including the Guarantees). Any amount received or recovered in a currency other than US dollars in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or in the winding-up or dissolution of the Issuer, its Subsidiaries or otherwise) by the Trustee or a holder of the Notes in respect of any sum expressed to be due to it from the Issuer or any Guarantor shall constitute a discharge of the Issuer or such Guarantor only to the extent of the US dollar amount which the recipient is able to purchase with the amount so received or recovered in such other currency, on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that US dollar amount is less than the US dollar amount expressed to be due to the recipient under any Note, the Issuer and each Guarantor, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the Trustee or the Noteholders to certify in writing (indicating the sources of information used) that it would have suffered a loss had the actual purchase of US dollars been made with the amount so received in that other

currency on the date of receipt or recovery (or, if a purchase of US dollars on such date had not been practicable, on the first date on which it would have been practicable).

9.2 The above indemnity, to the extent permitted by law:

(a) constitutes a separate and independent obligation from the other obligations of the Issuer and any Guarantor;

(b) shall give rise to a separate and independent cause of action;

(c) shall apply irrespective of any waiver granted by the Trustee or any holder of the Notes; and

(d) shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

The indemnity pursuant to this Condition 9 shall be a senior obligation with respect to the Issuer and any Guarantor on the same basis and to the same extent as all other payment obligations of the Issuer and such Guarantor hereunder.

10. EVENTS OF DEFAULT

10.1 Each of the following is an Event of Default with respect to the Notes (each, an "**Event of Default**"):

(a) (x) a default in the payment of interest on the Notes when due, in accordance with the terms of the Notes and continued for 30 days, or (y) a default in the payment of Additional Amounts for 30 days after notice thereof to the Issuer;

(b) a default in the payment of principal of, or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, a repurchase required by these Conditions, acceleration or otherwise;

(c) failure by the Issuer or the relevant Guarantor to comply with its obligations under (x) Condition 5 (*Change of Control*), (y) Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*) or (z) Condition 8.5 (*Merger and Consolidation*);

(d) failure by the Issuer or the relevant Guarantor to comply for 60 days after written notice from the Trustee, or Noteholders of at least 25% in aggregate principal amount of Notes, with any other covenant contained in these Conditions or the Trust Deed;

(e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Subsidiaries) (other than in respect of Indebtedness owed to and held by the Issuer or a Wholly Owned Subsidiary), whether such Indebtedness now exists, or is created after the Issue Date, and if the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a default, aggregates US$10.0 million or more;

(f) (1) the Issuer or a Subsidiary: (i) is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due; (ii) suspends making payments on any of its debts; or (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding a Noteholder in its capacity as such) with a view to rescheduling any of its indebtedness; or (2) a moratorium is declared in respect of any indebtedness of the Issuer or a Subsidiary;

(g) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Subsidiary other than a

solvent liquidation or reorganisation of any member of the Group which is not a Guarantor, except an application made to a court for the purpose of winding up such a person which is disputed by the Issuer or a Guarantor acting diligently and in good faith and dismissed within 15 Business Days;

(ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;

(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not a Guarantor or any other liquidation permitted by these Conditions), receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets except on application made to a court for the purpose of appointing such a person which is disputed by the Issuer or a Guarantor acting diligently and in good faith and dismissed within 5 Business Days; or

(iv) enforcement of any Liens on the Collateral or other Lien over any assets of any member of the Group; or

(v) any analogous procedure or step is taken in any jurisdiction;

(h) the rendering of any final judgment by a court of competent jurisdiction for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 60 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof will be unsuccessful) in excess of US$10.0 million against the Issuer or a Significant Subsidiary that is not discharged, or bonded or insured by a third Person, if such judgment or decree is not discharged, waived or stayed for a period of 60 consecutive days;

(i) any Guarantee ceases to be in full force and effect (other than in accordance with the terms of the Trust Deed or these Conditions) or any Guarantor denies or disaffirms its obligations under its Guarantee in writing (other than by reason of release of a Guarantor from or other termination of its Guarantee in accordance with the terms of the Trust Deed or these Conditions);

(j) any Liens under the Security Documents on any Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the Security Documents, the Security Trust Deed and the Trust Deed) for any reason other than the satisfaction in full of all obligations under these Conditions and the Trust Deed or the release or amendment of any such Liens on the Collateral in accordance with the terms of the Trust Deed, the Security Trust Deed, the Security Documents or these Conditions, or the Issuer shall assert in writing that any such Liens on the Collateral is invalid or unenforceable; or

(k) delisting or suspension for a period of more than 10 Business Days of the Issuer's shares from trading on the Australian Securities Exchange.

10.2

(a) If an Event of Default (other than an Event of Default specified in sub-clauses (f) or (g) of Condition 10.1 (*Events of Default*)) occurs and is continuing, the Trustee (subject as provided below in this Condition 10.2) or the Noteholders of at least 25% in principal amount of the Notes then outstanding may declare by notice in writing to the Issuer the Notes to be immediately due and repayable at their principal amount together with accrued interest and all other amounts due on all the Notes; *provided, however*, that, after such acceleration, but before a judgment or decree based on acceleration, the Noteholders (i) of a majority in aggregate principal amount of the outstanding Notes or (ii) by way of extraordinary resolution, may rescind and annul such acceleration and waive the related Default and Event of Default (other than an Event of Default referred to in sub-clause (k) of Condition 13.2 (*Amendments and Waivers*)) (or instruct the Trustee to do so subject as provided in Condition 10.2) if all Events of Default, other than the non-payment of accelerated principal, interest and other amounts due, have been cured or waived. Upon such a declaration, such principal and interest and all other amounts due shall be due and payable immediately. If an Event of Default relating to sub-clauses (f) or (g) of

Condition 10.1 (*Events of Default*)occurs, the Notes will automatically become and be immediately due and payable at such amount aforesaid without any declaration or other act on the part of the Trustee or any Noteholders and, for the avoidance of doubt, any requirement for an Event of Default to be continuing will be satisfied upon such acceleration.

(b) Notwithstanding Condition 10.2(a) above, in the event of a declaration of acceleration in respect of the Notes because an Event of Default specified in Condition 10.1(e) (*Events of Default*) or (j) above shall have occurred and be continuing, such declaration of acceleration of the Notes and such Event of Default and all consequences thereof (including any acceleration or resulting payment default) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Noteholders, and be of no further effect, if the default triggering such Event of Default pursuant to Condition 10.1(e) (*Events of Default*) shall be remedied or cured by the Issuer or a Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the acceleration declaration with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(c) The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed and the Notes (including, for the avoidance of doubt, with respect to the Collateral (but only in accordance with the terms of the Trust Deed, the Security Trust Deed and the Security Documents)), but it shall not be bound to take any such proceedings or any other step or action in relation to the Trust Deed or the Notes (including, for the avoidance of doubt, with respect to the Collateral (but only in accordance with the terms of the Trust Deed, the Security Trust Deed and the Security Documents)) (including, without limitation any action under Condition 10.1 (*Events of Default*) or 10.2(a)) unless (a) subject, where applicable, to the provisions of Condition 13.1 (*Amendments and Waivers*), it has been so directed by an extraordinary resolution of the Noteholders or so requested in writing by the Noteholders of at least 25% in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

10.3 In the event that Noteholders declare the Notes to be accelerated pursuant to Condition 10.2(a) (*Events of Default*), the Trustee shall be entitled to rely on such declaration (or any amendment or rescission referred to in Condition 10.2(b) (*Events of Default*)) without any further investigation or liability to any party in connection therewith. Other than as provided in Condition 10.2 (*Events of Default*), no holder of Notes shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND SHAREHOLDERS

No administrator or deed administrator (each to the extent permitted by law) director, officer, employee, incorporator or stockholder, as such, of the Issuer or of any Subsidiary shall have any liability for any obligation of the Issuer or any Guarantor under these Conditions, the Trust Deed, the Security Trust Deed, the Subordination Agreement, the Security Documents or the Notes or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

12. PRESCRIPTION

Claims against the Issuer or any Guarantor for payment of principal, premium and interest in respect of the Notes (including any Additional Amounts in respect thereof), or under any Guarantee will be prescribed and become void unless made, in the case of principal and premium, within ten years or, in the case of interest and Additional Amounts, within five years after the relevant date for payment thereof.

13. AMENDMENTS AND WAIVERS

13.1 The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by extraordinary resolution (within the meaning of the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed, the Security Trust Deed, the Subordination Agreement, or the Security Documents. The quorum at any meeting for passing an extraordinary resolution will be one or more Persons present holding or representing more than 50% in aggregate principal amount of the Notes for the time being outstanding, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed in each case as set forth in Condition 13.2 (*Amendments and Waivers*) below, the necessary quorum for passing an extraordinary resolution will be one or more Persons present holding or representing not less than 75% of the principal amount of the Notes for the time being outstanding. For an adjourned meeting, one or more Eligible Persons present (whatever the principal amount of the Notes so held or represented) shall (subject as provided below) form a quorum and shall pass any resolutions and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present, provided that at any adjourned meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed in each case as set forth in Condition 13.2 (*Amendments and Waivers*) below, the quorum shall be one or more Eligible Persons present holding or representing not less than 50% of the principal amount of the Notes for the time being outstanding. An extraordinary resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting. Once the requisite quorum is achieved at any meeting, any extraordinary resolution may be passed by Noteholders who are present at such meeting and who hold or represent more than 75% in aggregate principal amount of the Notes held by all Noteholders represented and voting at such meeting.

The Trust Deed also provides that a resolution in writing and signed by or on behalf of more than 50% in aggregate principal amount of Notes for the time being outstanding (or in respect of the matters set forth below in Condition 13.2 (*Amendments and Waivers*), not less than 90% in aggregate principal amount of Notes for the time being outstanding) shall have the same effect as an extraordinary resolution passed at a meeting as described above.

13.2 The matters that require a quorum of 75% at any meeting of Noteholders or that require a direction or request or the consent of Noteholders of at least 90% in aggregate principal amount of the Notes for the time being outstanding, as described above, are:

(a) reducing the principal amount of Notes whose Noteholders must consent to an amendment or a waiver or the principal amount of Notes required to establish a quorum for passing an extraordinary resolution;

(b) reducing the rate of or extending the time for payment of interest on the Notes;

(c) reducing the principal of or changing the Stated Maturity of the Notes;

(d) reducing the premium payable upon the redemption of, or changing the date for any redemption of, Notes under Condition 3 (*Redemption*)or Condition 4.2 (*Redemption for Changes in Withholding Taxes*) (or, after a Change of Control has already occurred, Condition 5 (*Change of Control*));

(e) making any of the Notes payable in a currency other than US dollars;

(f) impairing the right of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor, (ii) receive the amount payable on redemption of the Notes, or (iii) institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(g) making any change in the list of matters specified in this Condition 13.2;

(h) making any change in the ranking or priority of any of the Notes or the Guarantees that would adversely affect the Noteholders;

(i) releasing any Guarantor from any of its obligations under its Guarantee or the Trust Deed, except in accordance with the terms of the Trust Deed;

(j) making any change in the provisions of Condition 4 (*Taxation*) that adversely affects the rights of the Noteholders or amending the terms of the Notes, or the Trust Deed in each case in a manner that would result in the loss of an exemption from any of the Taxes described thereunder; or

(k) waiving a default in the payment of principal of or premium or interest on any Notes (except a rescission of acceleration of the Notes by the Noteholders thereof as provided above in these Conditions and a waiver of the payment default that resulted from such acceleration); or

(l) making any change to the meeting provisions in the Trust Deed concerning the quorum required at any meeting of Noteholders or the majority required to pass an extraordinary resolution; or

(m) making any change to the governing law of the Notes, the Trust Deed or the Agency Agreement.

13.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any holder of Notes be entitled to claim, from the Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 4 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 4 (*Taxation*) pursuant to the Trust Deed.

13.4 Any modification, abrogation, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notices*).

13.5 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

13.6 The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer or any Guarantor and/or any of the Issuer's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13.7 The Trustee may call for and rely upon an Officers' Certificate as to the amount of any defined term used in Conditions 8 (*Covenants*) or 11 (*No Personal Liability Of Directors, Officers, Employees And Shareholders*) as at any given time or for any specified period, as applicable, or as to compliance by the Issuer and/or the Guarantors with any of the covenants contained in these Conditions, in which event such Officers' Certificate shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such Officers' Certificate.

14. LISTING

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the SGX-ST for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it is unable to list or it can no longer reasonably comply with the requirements for listing the Notes on the SGX-ST or if maintenance of such listing becomes unduly onerous, it will not be obliged to maintain a

listing of the Notes on the SGX-ST and will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognised stock exchange.

15. **AGENTS**

15.1 The Agents, when acting in that capacity, are acting solely as agents of the Issuer and the Guarantors pursuant to the Agency Agreement and (to the extent provided therein and in the Trust Deed) the Trustee, and the Agents do not assume any obligation towards or relationship of agency or trust for or with any Noteholder.

15.2 The names of the Agents and their specified offices are set out in the Agency Agreement. The Issuer reserves the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove the Registrar and any Paying Agent and to appoint other or further Registrars and Paying Agents; *provided* that for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a Paying Agent having a specified office in Singapore, where the Notes may be presented or surrendered for payment or redemption in the event that a Global Certificate is exchanged for Notes in definitive form. At least 30 days notice of any such removal or appointment and of any change in the specified office of the Registrar and any Paying Agent will be given to the Noteholders in accordance with Condition 17 (*NOTICES*).

16. **REPLACEMENT OF NOTES**

If any Note is mutilated or defaced or alleged to be destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Paying Agent upon payment by the claimant of such costs as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity or otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

17. **NOTICES**

17.1 All notices to the Noteholders regarding the Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

17.2 So long as the Notes are represented by a Global Certificates and such Global Certificates are held on behalf of a clearing system, notices to the Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders.

17.3 So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, notices to the Noteholders will be published by the Issuer or its listing agent on the website of the SGX-ST.

18. **PROVISION OF INFORMATION**

The Issuer shall, during any period in which it is not subject to or in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any holder of a Note which is a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Noteholder, upon the written request of such Noteholder or (as the case may be) prospective Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

19. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Conditions under the Contracts (Rights of Third Parties) Act 1999.

20. **GOVERNING LAW, SUBMISSION TO JURISDICTION AND SERVICE OF PROCESS**

The Trust Deed, the Notes and the Guarantees, including any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Issuer and each of the Guarantors have agreed in the Trust Deed, for the benefit of the Trustee and the Noteholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes and the Guarantees and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed, the Notes or the Guarantees may be brought in such courts.

The Issuer and each of the Guarantors have irrevocably waived in the Trust Deed any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum.

Nothing contained in this Condition shall limit any right of the Trustee, or subject to Condition 10.3, any holder of the Notes to take Proceedings against the Issuer or any Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer and the Guarantors have agreed in the Trust Deed that the process by which any Proceedings are commenced in England pursuant to this Condition 20 may be served on it by being delivered to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantors, the Issuer and the Guarantors shall appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer or relevant Guarantor. The Issuer and the Guarantors have agreed that the failure of any process agent to notify it of any process will not invalidate the relevant proceedings. Nothing herein shall affect the right of the Trustee and the Noteholders to serve process in any other manner permitted by law.

21. DEFINITIONS

Words and expressions not otherwise defined herein shall have the meaning ascribed to such words and expressions in the Trust Deed.

"**Acquired Debt**" means, with respect to any specified Person:

(i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary; and

(ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Amounts**" has the meaning set forth in Condition 4.1 (*Additional Amounts*).

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any Person means the possession, directly or indirectly, of the power to direct, or cause to the direction of, the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" have meanings correlative to the foregoing.

"**Asset Disposition**" means (a) any sale, lease, issuance, transfer or other disposition of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares, or shares to be held by third parties to meet applicable legal requirements), or (b) any sale, lease, transfer or other disposition of property or other assets (each such transaction described in (a) or (b) being referred to for purposes of this definition as a "**disposition**") by the Issuer or any of its Subsidiaries (including any disposition by means of a merger, consolidation or similar transaction), other than:

(i) any transaction or series of related transactions in which the Issuer and/or the Subsidiaries dispose of assets or businesses with a Fair Market Value of less than US$2.5 million;

(ii) dispositions by a Guarantor to a Guarantor or the Issuer, or dispositions by a Non-Guarantor Subsidiary to a Guarantor;

(iii) dispositions of inventory, products or services in the ordinary course of business;

(iv) any Permitted Investment;

(v) a disposition that is governed by Condition 8.5 (*Merger and Consolidation*);

(vi) any disposition arising from foreclosure, condemnation or similar action with respect to any property or other assets;

(vii) any disposition of Capital Stock of the Issuer;

(viii) the grant of licences to intellectual property rights to third parties (other than Affiliates of the Issuer or any of its Subsidiaries) on an arm's length basis;

(ix) dispositions constituting Liens permitted to be Incurred under these Conditions or a foreclosure thereon;

(x) any disposition of obsolete, damaged, surplus or worn-out equipment or machinery and any abandonment of any assets that are no longer in use, in each case, in the ordinary course of business;

(xi) dispositions of accounts receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(xii) dispositions of cash and Cash Equivalents; or

(xiii) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided, however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "**Capital Lease Obligation**".

"**Australian Securities Exchange**" means the ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

"**Australian Securities Exchange Listing Rules**" means the listing rules of the Australian Securities Exchange from time to time.

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(ii) the outstanding principal amount of such Indebtedness.

"**Bankruptcy Law**" means Title11, U.S. Code, or any similar U.S. Federal, state or non-U.S. law for the relief of debtors, including any of the procedures referred to in Chapter 5 of the Corporations Act 2001

(Cth), and any analogous procedures in the jurisdiction of organisation of any present or future Significant Subsidiary.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, in either case, any committee thereof duly authorised to act on behalf of such board or other governing body.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorised or required by law to close in London, New York or Perth (Australia).

"**Canadian Security Date**" has the meaning set forth in Condition 8.11 (*Post-Issue Date Collateral*).

"**Capital Lease Obligation**" means an obligation that is required to be classified and accounted for as a capital or finance lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalised amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last scheduled payment of rent or any other amount due under such lease without payment of a penalty.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Cash Equivalents**" means any of the following: (i) securities issued or fully guaranteed or insured by Australia, Canada, the United States of America or a member state of the European Union or the United Kingdom or any agency or instrumentality of any thereof maturing within 360 days of the date of acquisition thereof; (ii) time deposit accounts, certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, (x) a member state of the European Union or the United Kingdom or of the United States of America or any state thereof, Canada, or Australia (*provided that* such bank or trust company has, according to its latest published audited financial statements, capital, surplus and undivided profits aggregating in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of the relevant investment) and whose long-term debt is rated at least "A3" by Moody's or at least "A−" by Standard & Poor's or the equivalent rating category of another internationally recognised rating agency) or (y) any jurisdiction outside the European Union, the United States of America or any state thereof, Canada, or Australia, *provided that* in the case of (y) such bank or trust company being either (a) a controlled Affiliate of a bank or trust company meeting the conditions of sub-clause (x) of this definition or (b) a bank or trust company (including successors thereto) which, at any time during the 12-month period preceding the Issue Date, has issued to the Issuer or any Subsidiary time deposit accounts, certificates of deposit, bankers' acceptances and/or money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition; (iii) commercial paper of a corporation (other than the Issuer or its Affiliates), maturing not more than 270 days from the date of acquisition, rated at least "A2" or the equivalent thereof by Standard & Poor's or at least "P2" or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings in respect of such corporation, then a comparable rating of another nationally recognised rating agency), (iv) money market instruments, commercial paper or other short term obligations rated at least "A2" or the equivalent thereof by Standard & Poor's or at least "P2" or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings in respect of such corporation, then a comparable rating of another nationally recognised rating agency), (v) investments in money market funds subject to the risk limiting conditions of Rule 2a-7 or any successor rule of the SEC under the US Investment Company Act of 1940, as amended and (vi) investments correlative in type, maturity and rating to any of the foregoing denominated in foreign currencies or at foreign institutions.

"**Commodities Agreement**" means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), designed to protect such Person against, or manage such Person's exposure to, fluctuations in commodity or raw material prices.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) provision for all taxes based on income, profits or capital, for the Issuer and the Subsidiaries, as determined on a consolidated basis in accordance with IFRS, for such period; *plus*

(ii) the Fixed Charges of such Person and its Subsidiaries for such period; *plus*

(iii) depreciation, amortisation (including amortisation of intangibles but excluding amortisation of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non- cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortisation of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Subsidiaries; *plus*

(iv) any expenses or charges of the Issuer and the Subsidiaries related to any Equity Offering or issuance or Incurrence of Indebtedness permitted by these Conditions (whether or not consummated or Incurred); *plus*

(v) any unrealised foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Subsidiaries for such period, to the extent that such losses were taken into account in computing such Consolidated Net Income; *minus*

(vi) any unrealised foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of such Person and its Subsidiaries for such period, to the extent that such gains were taken into account in computing such Consolidated Net Income; *minus*

(vii) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS and before any reduction in respect of Preferred Stock dividends; *provided* that there shall not be included in such Consolidated Net Income:

(i) the net income (loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Subsidiary of the Person;

(ii) any net after-tax gain or loss realised upon the sale or other disposition of any asset of the Issuer or any Subsidiary (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors of the Issuer or a member of the senior management of the Issuer);

(iii) any item classified as an extraordinary, unusual or a nonrecurring gain, loss or charge (including fees, expenses and charges associated with any acquisition, merger or consolidation after the Issue Date);

(iv) the cumulative effect of a change in accounting principles;

(v) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness;

(vi) the ineffective part of gains and losses from Hedging Obligations eligible for hedge accounting under IFRS, and the gains and losses from Hedging Obligations not eligible for hedge accounting under IFRS;

(vii) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards to the extent otherwise included in Consolidated Net Income; and

(viii) any impairment of goodwill.

"**Currency Agreement**" means, in respect of any Person, any non-speculative foreign exchange contract, currency swap agreement or other similar agreement or arrangement (including derivative agreements or arrangements) Incurred in the ordinary course of business, as to which such Person is a party or beneficiary.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian, voluntary administrator or similar official under any Bankruptcy Law.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(i) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;

(ii) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to 91 days after the Stated Maturity of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of a "change of control" or "asset sale" occurring prior to 91 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

(i) the "change of control" or "asset sale" provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes under Condition 5 (*Change of Control*) and Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*), respectively; and

(ii) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to these Conditions; *provided, however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**EDF**" means Electricité de France and its substitutes (including by novation) and assigns from time to time.

"**Equity Offering**" means any public or private sale of ordinary shares, preference shares or other Capital Stock of, or contribution to the capital of, the Issuer (excluding Disqualified Stock) (other than in connection with any employee benefit plan).

"**European Union**" means the European Union, including member states prior to 1 May 2004 but excluding any country that became or becomes a member of the European Union on or after 1 May 2004.

"**Event of Default**" has the meaning set forth in Condition 10.1 (*Events of Default*).

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Existing Lien**" means Liens set forth in Schedule 7 to the Trust Deed.

"**Fair Market Value**" means the value (and, in respect of any disposition permitted under Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*), such value to take into account any proposed release of Collateral and/or Guarantee to be made pursuant to Condition 7.1 (*Security*)) that would be paid by a willing buyer to an unaffiliated willing seller in an arm's length transaction not involving distress of either party; provided that

(i) such value shall be determined in good faith by the Board of Directors of the Issuer or a member of the senior management of the Issuer if the value is less than US$20,000,000; or

(ii) such value shall be determined by an investment banking or accounting firm of Australian or international standing or any third party appraiser of Australian or international standing if value equals or exceeds US$20,000,000; provided, however, that such firm or appraiser is not an Affiliate of the Issuer.

"**Fixed Charge Coverage Ratio**" means, for any specified period, the ratio of (1) the Consolidated EBITDA of the Issuer for such period to (2) the Fixed Charges of the Issuer for such period. In the event that the Issuer or any of its Subsidiaries Incur, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the two half-year reference period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the net proceeds therefrom, as if the same had occurred at the beginning of such two half-year reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(i) acquisitions that have been made by the Issuer or any of its Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries acquired by the Issuer or any of the Issuer's Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries, during the two half-year reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) as if they had occurred on the first day of the two half-year reference period;

(ii) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Issuer or any of its Subsidiaries following the Calculation Date;

(iv) any Person that is not a Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary at any time during such two half-year period; and

(v) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period.

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(i) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, amortisation of debt issuance costs and original issue discount, payments-in-kind and other non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, Attributable Indebtedness and Purchase Money Indebtedness, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(ii) the consolidated interest expense of such Person and its Subsidiaries that was capitalised during such period; *plus*

(iii) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries, whether or not such guarantee or Lien is called upon; *plus*

(iv) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Subsidiaries, other than dividends on Capital Stock payable solely in Capital Stock of the Issuer (other than Disqualified Stock) or to the Issuer or a Subsidiary of the Issuer, and (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with IFRS.

"**Group**" means the Issuer together with any entities which the Issuer accounts for under the full consolidation method of accounting under IFRS.

"**guarantee**" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise). The term "**guarantee**" used as a verb has a corresponding meaning. The term "**guarantor**" shall mean any Person guaranteeing any Obligation.

"**Guarantee**" means each joint and several guarantee by a Guarantor of the Issuer's obligations with respect to the Notes, in accordance with Condition 6 and in the form set forth in the Trust Deed.

"**Guarantor**" means each of Paladin Finance Pty Ltd (Subject to deed of company arrangement), Paladin Energy Minerals NL (Subject to deed of company arrangement), NGM Resources Pty Ltd, Fusion Resources Pty Ltd., Paladin NT Pty Ltd, Eden Creek Pty Ltd, Mt Isa Uranium Pty Ltd, Paladin Nuclear Limited, Paladin Intellectual Property Pty Ltd, Valhalla Uranium Pty Ltd, Paladin Canada Holdings (NL) Ltd, Paladin Employee Plan Pty Ltd, PEM Malawi Pty Ltd, and Michelin Uranium Ltd, and any Subsidiary that delivers a Guarantee after the issue date pursuant to Conditions 8.13 (*Limitation on Issuances of Guarantees of Indebtedness*) and 6.2 (*Guarantor Coverage Test*) and Clause **Error! Reference source not found.** hereof, in each case, until such time as released in accordance with these presents.

"**Guarantor Coverage Test**" means confirmation, provided through an Officer's Certificate within 10 Business Days of the relevant fiscal period, that (by reference to the relevant fiscal period):

(i) the aggregate earnings before interest, tax depreciation and amortization (calculated on the same basis as Consolidated EBITDA) of the Guarantors equals or exceeds 90 per cent. of the Consolidated EBITDA of the Group;

(ii) the aggregate revenue (calculated in accordance with IFRS) of the Guarantors equals or exceeds 90 per cent. of the revenue of the Group; and

(iii) the aggregate total assets (calculated in accordance with IFRS) of the Guarantors equal or exceed 90 per cent. of the total assets of the Group,

in each case, calculated on an unconsolidated basis and excluding goodwill, all intra-Group items and investments in Subsidiaries.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

"**IFRS**" means International Financial Reporting Standards as in effect on the Issue Date, or, with respect to the reporting requirements set forth in Condition 8.18, as in effect from time to time.

"**Incur**" or "**incur**" means to create, issue, assume, enter into a guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "**Incurrence**" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Condition 8.1, the following will not be deemed to be the Incurrence of Indebtedness:

(i) amortisation of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(ii) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(iii) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(i) the principal of indebtedness of such Person for borrowed money;

(ii) the principal of Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all reimbursement Obligations of such Person in respect of letters of credit or other similar instruments (the amount of such Obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed);

(iv) all Obligations of such Person to pay the deferred and unpaid purchase price of property (except (x) trade payables and accrued expenses Incurred by such Person in the ordinary course of business, (y) customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business and (z) deferred insurance premiums in the ordinary course of business), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto;

(v) all Capital Lease Obligations of such Person;

(vi) all Attributable Indebtedness of such Person;

(vii) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or any Preferred Stock of a Subsidiary of such Person, but excluding, in each case, any accrued dividends (the amount of such obligation to be equal at

any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased, and if such price is based upon or measured by the Fair Market Value of such Capital Stock;

(viii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of Indebtedness of such Person shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(ix) all guarantees by such Person of Indebtedness of other Persons, to the extent so guaranteed by such Person; and

(x) to the extent not otherwise included in this definition, net Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the greater of (x) the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time and (y) the amount required under IFRS to be reflected on the balance sheet of such Person at such time),

if and to the extent any of the preceding items (other than items described under clauses (iii), (vi), (viii), (ix), and (x) above) would appear as a liability on a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS.

The term "**Indebtedness**" shall not include:

(i) in connection with the purchase by the Issuer or any of its Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(ii) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; and

(iii) anything accounted for as an operating lease in accordance with IFRS.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Issuer.

"**Interest Rate Agreement**" means any non-speculative interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates Incurred in the ordinary course of business.

"**Investment**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to Officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Capital Stock or other securities, together with all items that are or would be classified as Investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary. The acquisition by the Issuer or any Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the

Investments held by the acquired Person in such third Person. Except as otherwise provided in the Trust Deed, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"**Issue Date**" means the date of original issuance of the Notes.

"**Kayelekera**" means the uranium project in connection with Mining Licence 0152/2007, located in northern Malawi.

"**Langer Heinrich Mine**" means the uranium project operated by Langer Heinrich Uranium (Pty) Ltd in connection with Mining Licences ML140 and EPL3600, located in Namibia.

"**Lien**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**LH Revolving Credit Facility**" means the revolving facility in an aggregate amount of up to US$60,000,000 provided under a revolving credit facility agreement dated 9 June 2016 between N.B.S.A. Limited and Langer Heinrich Uranium (Pty) Limited as amended and restated by the deed of amendment and restatement dated 20 July 2017 between Deutsche Bank AG, London Branch, as original lender, Langer Heinrich Uranium (Pty) Limited, Paladin Finance Pty Ltd (subject to a deed of company arrangement) and Paladin Energy Minerals NL (subject to a deed of company arrangement) as borrowers, and Paladin Energy Limited (subject to a deed of company arrangement) as the parent.

"**Maintenance Capital Expenditure**" means the amount of all capital expenditure incurred by the Issuer and its Subsidiaries with a view to maintaining the existing operations or projects of the Issuer and its Subsidiaries, and excluding, for the avoidance of doubt, any capital expenditure incurred by the Issuer and its Subsidiaries with a view to developing any new operation or project, or increasing the production and operating levels of any existing operation or project of the Issuer or any Subsidiary, as determined in good faith by the Issuer.

"**Maturity Date**" has the meaning set forth in Condition 2.1.

"**Michelin Project Assets**" means the assets held by Paladin Canada Holdings (NL) Ltd, Paladin Canada Investments (NL) Ltd, Michelin Uranium Ltd and Aurora Energy Ltd related to the mineral exploration project known as Michelin and located in Labrador (Canada);

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Net Available Cash**" from an Asset Disposition means cash and Cash Equivalents payments received (excluding any cash or Cash Equivalents payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise, and any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other noncash form) therefrom, in each case net of:

(i) all legal, title and recording tax expenses, commissions and other fees and expenses incurred or accrued in connection with the Asset Disposition, and all Taxes required to be paid or accrued as a liability under IFRS, as a consequence of such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with the covenant described in Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*));

(ii) all payments made, and all instalment payments required to be made, on any Indebtedness that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or that must by its terms, or in order to obtain a necessary consent to such Asset Disposition (including as a consequence of any transfer of funds in connection with the application thereof in accordance with Condition 8.3 (*Limitation on Sales of Assets and Subsidiary Stock*)), or by applicable law, be repaid out of the proceeds from or in connection with such Asset Disposition;

(iii) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition, or to any other Person (other than the Issuer or a Subsidiary) owning a beneficial interest in the assets disposed of in such Asset Disposition;

(iv) brokerage commissions and other fees and expenses (including fees, discounts and expenses of legal counsel, accountants and investment banks, consultants and placement agents) of such Asset Disposition;

(v) payments of unassumed liabilities (not constituting Indebtedness) relating to the assets sold at the time of, or within 30 days after the date of, such Asset Disposition; and

(vi) appropriate amounts to be provided, reserved or retained by the Issuer or any Subsidiary, as the case may be, against any adjustment in the sale price of such asset or assets or liabilities associated with such Asset Disposition and retained by the Issuer or any Subsidiary, as the case may be, after such Asset Disposition, including pensions and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Disposition,

in the case of each of (i) through (vi), as determined by the Issuer in good faith; *provided, however*, that any amounts remaining after adjustments, revaluations or liquidations of such reserves shall constitute Net Available Cash.

"**Non-Guarantor Subsidiary**" means any Subsidiary of the Issuer that is not a Guarantor.

"**Noteholder**" or "**holder**" means the Person in whose name a Note is registered on the Registrar's books.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer of the Issuer.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee or, as the case may be, the Security Trustee.

"**outstanding**" means in relation to the Notes, all the Notes issued other than:

(i) those Notes which have been redeemed or purchased and cancelled;

(ii) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*)) and remain available for payment (against presentation of the relevant Note, if required);

(iii) those Notes which have become void under Condition 12 (*Prescription*);

(iv) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes*);

(v) (for the purpose only of ascertaining the principal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes*); and

(vi) a Global Certificate (within the meaning of the Trust Deed) to the extent that it shall have been exchanged for one or more Definitive Certificates pursuant to its provisions;

provided that for each of the following purposes, namely:

(a) the right to attend and vote at any meeting of the Noteholders, or any of them, or to vote on an extraordinary resolution or to participate in giving any written consent or any direction or request by the Noteholders;

(b) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 11 (*No Personal Liability Of Directors, Officers, Employees And Shareholders*) and 14 (*Listing*);

(c) any discretion, power or authority (whether contained in the Trust Deed or these Conditions or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any of them; and

(d) the determination by the Trustee of whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held or beneficially owned by the Issuer, any Guarantor or any other Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

"**Permitted Businesses**" means (i) any business, services or activities engaged in by the Issuer or any of its Subsidiaries on 4 July 2017 and (ii) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of those described in clause (i) or are extensions or developments of any thereof.

"**Permitted Collateral Liens**" means Liens on the Collateral (a) arising by operation of law that are described in one or more of clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (x), (xv), (xvii) and (xviii) of the definition of "Permitted Liens" or (b) that are Liens on the Collateral to secure the Notes (including any deferred PIK Interest) and any related Guarantees or (c) to secure Indebtedness Incurred pursuant to Condition 8.1(b)(ix) (*Limitation on Indebtedness*) solely on the property, plant or equipment that is financed with the proceeds of such Indebtedness or (d) in connection with Project Finance Indebtedness which is permitted under Condition 8.1(b)(xiv) (*Limitation on Indebtedness*) provided that such Liens rank junior to the Liens described in paragraph (b) above.

"**Permitted Indebtedness**" has the meaning set forth in Condition 8.1(b) (*Limitation on Indebtedness*).

"**Permitted Investment**" means an Investment by the Issuer or any Subsidiary in, or consisting of, any of the following:

(i) the Issuer, a Guarantor or a Person that will, upon the making of such Investment, become a Guarantor;

(ii) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Guarantor;

(iii) cash and Cash Equivalents;

(iv) stock, Obligations, securities or other Investments received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments;

(v) any Person where such Investment was acquired by the Issuer or any of its Subsidiaries (i) in exchange for any other Investment or accounts receivable held by the Issuer or any such Subsidiary in connection with or as a result of a bankruptcy, workout, reorganisation or recapitalisation of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure perfection or enforcement by the Issuer or any of its Subsidiaries with respect

to any Lien, secured Investment or other transfer of title with respect to any Lien or secured Investment in default;

(vi) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;

(vii) Investments in existence or made pursuant to legally binding written commitments in existence on the Issue Date and any extension, modification or renewal thereof, *provided* that the amount of any such Investment may only be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Trust Deed;

(viii) Investments in the Notes;

(ix) any guarantee of Indebtedness permitted to be Incurred by Condition 8.1 (*Limitation on Indebtedness*);

(x) investments in receivables owing to the Issuer or any of its Subsidiaries created or acquired in the ordinary course of business;

(xi) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock) as consideration;

(xii) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Subsidiaries in a transaction that is not prohibited by Condition 8.5 (*Merger and Consolidation*), after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(xiii) Investments in Non-Guarantor Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without subsequent changes in value) not exceeding US$1.5 million per calendar year for Investments made in respect of the Michelin Project Assets, US$5.5 million per calendar year for Investments made in respect of Kayelekera, and AU$1.0 million for Investments made in respect of Summit Resources Limited (in each case with no carry-over or carry-debt); and

(xiv) Investments (in the form of loans) to Langer Heinrich Uranium Limited approved unanimously by the Board of Directors of the Issuer, *provided* that the Issuer shall use its best endeavours to cause any joint venture partner to fund its pro rata share of any such Investment.

"**Permitted Liens**" means, with respect to any Person:

(i) pledges, deposits or Liens in connection with pensions, workers' compensation, unemployment insurance and other social security and other similar legislation or other insurance-related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(ii) pledges, deposits or Liens to secure the performance of statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature Incurred in the ordinary course of business;

(iii) Liens imposed by law, such as carriers', warehousemen's mechanics', landlord's, material men's, repairmen's or other like Liens, in each case for sums not overdue for a period of more than 60 days or that are bonded or that are being contested in good faith by appropriate proceedings, and to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with a good faith appeal or other proceedings for review, and to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, and Liens arising solely by virtue of any statutory or common law provision relating to banker's

Liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(iv) Liens for taxes, assessments or other governmental charges not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Subsidiaries or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Issuer or a Subsidiary thereof, as the case may be, in accordance with IFRS;

(v) Liens in favour of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided*, *however*, that such letters of credit do not constitute Indebtedness for borrowed money or constitute Indebtedness Incurred in accordance with Condition 8.1(b)(iii) (*Limitation on Indebtedness*);

(vi) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(vii) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(viii) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(ix) any interest or title of a lessor under any operating lease;

(x) easements (including reciprocal easement agreements), rights of way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in the aggregate materially interfere with the ordinary conduct of the business of the Issuer and its Subsidiaries, taken as a whole;

(xi) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xii) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xiii) Liens securing Purchase Money Indebtedness or Capital Lease Obligations Incurred in accordance with Condition 8.1(b)(x) (*Limitation on Indebtedness*) and covering only the assets acquired with or financed by the proceeds of such Purchase Money Indebtedness or Capital Lease Obligations;

(xiv) Liens set forth in Schedule 7 to the Trust Deed, or securing any Refinancing Indebtedness in respect of the Indebtedness secured by such a Lien so long as the Lien securing such Refinancing Indebtedness is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or under such written arrangements could secure) the original Indebtedness;

(xv) Liens (a) arising out of judgments, decrees, orders or awards (not otherwise giving rise to a Default) in respect of which the Issuer shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or

if the period within which such appeal or proceedings may be initiated shall not have expired; and (b) leases, subleases, licenses or sublicenses of property and assets to third parties;

(xvi) Liens securing Refinancing Indebtedness (other than Permitted Collateral Liens) Incurred in respect of any Indebtedness secured by, or securing any refinancing, refunding, extension, renewal, or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens *provided* that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(xvii) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(xviii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods or assets entered into in the ordinary course of business;

(xix) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (i) through (xviii), *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced; and

(xx) Permitted Collateral Liens.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**PIK Interest**" means interest payments on the Notes that are deferred in accordance with Condition 2.2(b) (*Interest*), without the issuance of additional Notes.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that by its terms is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**principal**" of a Note means the principal amount of the Note plus (unless the context requires otherwise) the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"**Project Finance Indebtedness**" means any Indebtedness Incurred after the Issue Date to finance the ownership, acquisition, construction, creation, development, exploration, maintenance and/or operation of an asset, or any associated rehabilitation works, in respect of which the Person or Persons to whom any such Indebtedness is or may be owed by the relevant borrower (whether or not the Issuer or any of its Subsidiaries) has or have no recourse whatsoever to the Issuer or any of its Subsidiaries for the repayment thereof other than:

(i) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or the business of owning, acquiring, constructing, creating, developing, exploring, maintaining and/or operating such asset; and/or

(ii) (A) recourse for the purpose only of enabling amounts to be claimed in respect of such Indebtedness in an enforcement of any Lien given over such asset (and/or any other assets primarily used in the business of owning, acquiring, constructing, creating, developing, maintaining and/or operating such asset) or the income, cash flow or other proceeds deriving

therefrom (or given over shares or the like in the capital of the borrower or owner of the asset or any Subsidiary described in paragraph (iv) of this definition) to secure such Indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such Person or Persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding up or dissolution of the Issuer or any of its Subsidiaries (other than a Subsidiary described in paragraph (iv) of this definition) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the Issuer or any of its Subsidiaries (other than a Subsidiary described in paragraph (iv) of this definition) or any of its assets (save for the assets the subject of such encumbrance); and/or (B) recourse against the assets, income, cashflow, proceeds or shares or the like subject to an encumbrance referred to in this paragraph (ii); and/or

(iii) recourse under any form of assurance, undertakings or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) or under an indemnity for breach of an obligation or representation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition other than costs to complete tests or project completion tests) of the Issuer or any of its Subsidiaries; and/or

(iv) recourse against (A) any Subsidiary, or the assets of any Subsidiary, whose principal business consists of the ownership, acquisition, construction, creation, development, exploration, maintenance and/or operation of the asset concerned; or (B) any Subsidiary, or the assets of any Subsidiary, which is a holding company directly or indirectly, of any Subsidiary described in paragraph (iv)(A) of this definition; and/or

(v) recourse against the Issuer, or the assets of the Issuer, provided that such recourse is limited to assets which are directly related to the asset or the business of owning, acquiring, constructing, creating, developing, exploring, maintaining and/or operating such asset; and/or

(vi) recourse against the Issuer under any guarantee and/or indemnity provided in respect of such Indebtedness or in respect of the completion of construction or development of an asset which is not required to be released or discharged following completion or development of such asset, *provided that*, the guarantee and/or indemnity has been unanimously approved by the Board of Directors of the Issuer.

"**Public Offering**" means any offering, including an initial public offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Indebtedness**" means any Indebtedness (including Capital Lease Obligations) Incurred to finance the acquisition, leasing, construction, addition or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or asset or the acquisition of the Capital Stock of any Person owning such property or assets or otherwise.

"**Record Date**" means, with respect to any Interest Payment Date, for so long as the Notes are Global Certificates, the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before such Interest Payment Date, or to the extent Definitive Certificates have been issued, the Business Day immediately preceding such Interest Payment Date, as applicable.

"**refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, substitute, supplement, reissue, restate, amend, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. The terms "refinanced" and "refinancing" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refinance any Indebtedness existing on the Issue Date or Incurred in compliance with these Conditions (including Indebtedness of the Issuer that refinances Indebtedness of any Subsidiary (to the extent permitted in these Conditions) and

Indebtedness of any Subsidiary that refinances Indebtedness of another Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided* that (1) if the Indebtedness being refinanced (the "**Refinanced Indebtedness**") is Subordinated Indebtedness, then such Refinancing Indebtedness, by its terms, shall be subordinate in right of payment to the Notes or the relevant Guarantees, as applicable, at least to the same extent as the Refinanced Indebtedness was so subordinate, (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Refinanced Indebtedness, plus (y) accrued and unpaid interest thereon plus (z) fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness, (3) such Refinancing Indebtedness (x) has a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being refinanced or (ii) after the final maturity date of the Notes and (y) has an Average Life as of the date of its Incurrence that is equal to or greater than the Average Life of the Refinanced Indebtedness and (4) Refinancing Indebtedness shall not include Indebtedness of a Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

"**Restricted Cash**" means the cash and cash equivalents that may not be lawfully (under (i) any law, rule, regulation, or order, or (ii) any licence, concession, permit or agreement (including any agreement or financing arrangement requiring certain cash to be deposited as security for performance) as in effect on 4 July 2017) distributed or otherwise transferred by a Subsidiary to the Issuer, and the cash and cash equivalents that are deposited by the Issuer or a Subsidiary as cash backing for indemnity obligations in connection with Permitted Indebtedness (including letters of credit, bank guarantees or similar instruments and transactional banking facilities).

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Payment**" means:

(i) the declaration or payment of any dividends or any other distributions of any sort in respect of the Issuer's or any Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Subsidiaries) or to the direct or indirect holders of the Issuer's or any Subsidiary's Capital Stock in their capacity as holders (other than (i) dividends or distributions payable solely in Capital Stock (other than Disqualified Stock) of the Issuer, and (ii) dividends, loans, advances or distributions payable to the Issuer or any Subsidiary and, in the case of any such Subsidiary making such dividend or distribution, to other holders of its Capital Stock on a no more than a *pro rata* basis, measured by value);

(ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) of any Capital Stock of the Issuer or any parent entity of the Issuer held by any Person;

(iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Indebtedness (other than a payment of interest or principal at the Stated Maturity thereof or the purchase, redemption, defeasance or other acquisition or retirement of any such Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, redemption, defeasance or other acquisition or retirement); or

(iv) the making of a Restricted Investment.

"**Sale/Leaseback Transaction**" means a financing arrangement relating to property owned by the Issuer or a Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Subsidiary whereby the Issuer or a Subsidiary transfers such property to a Person and the Issuer or a Subsidiary leases it from such Person.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited.

"**Significant Subsidiary**" means any Subsidiary of the Issuer which meets any of the following conditions:

(i) the Issuer's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 10.0% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;

(ii) the Issuer's and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10.0% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or

(iii) the Issuer's and its other Subsidiaries' share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any non-controlling interests exceeds 10.0% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year;

provided, *however*, that any Subsidiary of the Issuer, which, when aggregated with all other Subsidiaries of the Issuer that are not otherwise Significant Subsidiaries and as to which any event described in clauses (f) and (g) of Condition 10.1 (*Events of Default*) has occurred, shall be deemed to constitute a Significant Subsidiary in accordance with the criteria set forth above.

"**Stated Maturity**" means, with respect to any security or indebtedness, the date specified in such security or indebtedness as the fixed date on which the payment of principal of such security or indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such security at the option of the holder thereof upon the happening of any contingency).

"**Subordinated Indebtedness**" means, with respect to any Person any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to Indebtedness under the Notes or its Guarantee pursuant to a written agreement.

"**Subsidiary**" means any Person of which the Issuer owns directly or indirectly at least 50% of the voting and economic rights and which is consolidated in the financial statements of the Issuer in accordance with IFRS.

"**US Dollar Equivalent**" means, with respect to any monetary amount in a currency other than the US dollar, at any time that determination is required, the amount of US dollars that could be obtained by converting such foreign currency involved in such computation into US dollars at the spot rate for the purchase of US dollars at such time with the applicable foreign currency as published in *The Financial Times* in the "Currencies" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Issuer or the Trustee, as the case may be) on the date of such determination.

Except as provided for in Condition 8.1, whenever it is necessary to determine whether the Issuer has complied with any covenant in these Conditions or a Default has occurred and an amount is expressed in a currency other than US dollars, such amount will be treated as the US Dollar Equivalent determined as of the date such amount is initially determined in such currency.

"**Voting Stock**" means, at any time, all classes of Capital Stock of the Issuer then outstanding and normally entitled to vote in the Issuer's general shareholders' meetings.

''**Wholly Owned Subsidiary**'' means a Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.