

PALADIN

Paladin Energy Ltd
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Not for release to US wire services or distribution in the United States

24 March 2021

Dear Shareholder

PALADIN ENERGY LTD – RETAIL ENTITLEMENT OFFER NOW OPEN

On Wednesday, 17 March 2021, Paladin Energy Ltd (**Paladin** or **Company**) (ASX: PDN) announced it was conducting a 1 for 8.5 fully underwritten accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary shares (**New Shares**) to eligible existing shareholders to raise approximately \$90.2 million at a fixed offer price (**Offer Price**) of \$0.37 per New Share (**Entitlement Offer**).

The Entitlement Offer comprises:

- (a) an accelerated entitlement offer to eligible institutional investors (**Institutional Entitlement Offer**); and
- (b) a retail entitlement offer for the remaining eligible shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on Friday, 19 March 2021 (**Record Date**) (**Retail Entitlement Offer**).

The Retail Entitlement Offer is open now and closes at 5.00pm (Sydney time) on Friday, 9 April 2021 (unless extended).

Further information is set out in the Retail Offer Booklet, which can be accessed through either of the following means:

1. ONLINE - The Retail Offer Booklet and personalised Entitlement and Acceptance Form (including the BPAY® payment details) can be accessed via the Company's offer website:
www.paladinooffer.com.au

2. PAPER - Request a paper copy of the Retail Offer Booklet and the personalised Entitlement and Acceptance Form from Computershare: **1300 259 129 (within Australia)** or **+61 3 9415 4867 (outside Australia)**



Paladin encourages you to access the Retail Offer Booklet online.

The combined proceeds of the Entitlement Offer and a separate \$128.5 million placement conducted in conjunction with the Entitlement Offer (also conducted at the Offer Price) (**Placement**) will be applied to the full redemption of outstanding senior secured notes that the Company issued in connection with a restructure of its debt obligations in early 2018. Further detail on the Entitlement Offer and Placement, including in relation to the proposed use of the proceeds, is contained in the Company's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on Wednesday, 17 March 2021.

Canaccord Genuity (Australia) Limited and Shaw and Partners Limited (**Joint Lead Managers**) are the joint lead managers, underwriters and bookrunners for the Entitlement Offer. The Entitlement Offer is fully underwritten by the Joint Lead Managers.

Paladin writes to you as a registered eligible shareholder of the Company as at the Record Date. As an eligible shareholder you will be offered an allocation of 1 New Share for every 8.5 Paladin shares that you held as at the Record Date (**Entitlement**) if (and only if) application monies are received via BPAY® prior to the closing date of the Retail Entitlement Offer in accordance with the Retail Offer Booklet and your personalised Entitlement and Acceptance Form (**Entitlement Form**).¹

In addition, as part of the Retail Entitlement Offer, eligible retail shareholders who take up their Entitlement in full are invited to apply for additional New Shares (up to an additional 50% of their Entitlement) that may be available from any shortfall under the Retail Entitlement Offer (which will occur if fewer than all of the New Shares are taken up under the Retail Entitlement Offer) (**Additional Shares**), subject to any scale-back. Any Additional Shares will be offered at the Offer Price.

The Offer Price represents a discount of:


- (a) 16.7% discount to the Theoretical Ex-Rights Price² (**TERP**) of \$0.444;
- (b) 20.4% discount to the last traded price of Paladin shares on ASX of \$0.465 on 16 March 2021;
- (c) 17.2% discount to the 5-day volume weighted average price (**VWAP**); and
- (d) 11.3% discount to the 20-day VWAP.

ACCESS THE OFFER

An electronic version of the Retail Offer Booklet is available to eligible shareholders, together with a personalised Entitlement Form, at the Company's Retail Entitlement Offer website: **www.paladinooffer.com.au**. You will need the holder ID shown on the front of this letter to access the documentation.

¹ If you do not have an account that supports BPAY® transactions, eligible New Zealand retail shareholders will be offered EFT details via the offer website.

² The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Paladin shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Paladin's closing price of \$0.465 on Tuesday, 16 March 2021. The TERP calculation includes New Shares issued under the Placement.



A printed copy of the Retail Offer Booklet and personalised Entitlement Form is also available upon request by calling the Paladin Offer Information Line on **1300 259 129 (within Australia)** or **+61 3 9415 4867 (outside Australia)** between 8.30am and 5.30pm (Sydney time). Please note that there may be some delays in delivery of the Retail Offer Booklet via post.

Anyone who wants to acquire shares under the Retail Entitlement Offer will need to follow the “How to apply” instructions in the Retail Offer Booklet.

Eligible shareholders who do not take up their Entitlements in full or in part will not receive any value in respect of those Entitlements not taken up and will have their interest in Paladin diluted as a result.

ACTIONS REQUIRED BY ELIGIBLE RETAIL SHAREHOLDERS

Your Entitlement is shown on the personalised Entitlement Form that accompanies the Retail Offer Booklet which can be accessed by entering your personal details (which are set out at the top of this letter) at the Company’s Retail Entitlement Offer website: www.paladinooffer.com.au

The choices available to eligible retail shareholders are described in the Retail Offer Booklet. In summary, eligible retail shareholders may:

- (a) take up their Entitlement in full, or take up all of their Entitlement and apply for Additional Shares;
- (b) take up part of their Entitlement and allow the balance to lapse; or
- (c) take no action and allow all of their Entitlement to lapse.

For further detail, see sections 2 and 5 of the Retail Offer Booklet.

If you wish to take up all or part of your Entitlement, please pay your application monies via BPAY® by following the instructions set out in your personalised Entitlement Form by no later than 5.00pm (Sydney time) on Friday, 9 April 2021 (see sections 2 and 5.6 of the Retail Offer Booklet).³

QUESTIONS

If you have any queries about the Retail Entitlement Offer, please contact the Paladin Offer Information Line on:

- (a) 1300 259 129 (within Australia); or
- (b) +61 3 9415 4867 (outside Australia),

between 8.30am and 5.30pm (Sydney time) during the Retail Entitlement Offer period.

³ If you do not have an account that supports BPAY® transactions, eligible New Zealand retail shareholders will be offered EFT details via the offer website.



On behalf of the Board, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully

Cliff Lawrenson
Non-Executive Chairman

Important Notice and Disclaimer

The Entitlement Offer is being made by Paladin Energy Ltd in accordance with section 708AA of the Corporations Act as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, meaning that no prospectus or other disclosure document needs to be prepared.

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Paladin and the Joint Lead Managers. Each of Paladin and the Joint Lead Managers and each of their respective related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective directors, officers, employees, partners, consultants, contractors, agents and advisers disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

This letter is issued by Paladin to inform you about the Retail Entitlement offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

Not an offer in the United States

This document has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.