

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PALADIN ENERGY LTD

ABN

Quarter ended ("current quarter")

47 061 681 098

30 September 2022

Consolidated statement of cash flows		Current quarter	Year to date
		US\$'000	(3 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs (excludes direct exploration and Langer Heinrich Mine operations costs)	(538)	(538)
	(e) administration and corporate costs	(636)	(636)
	(f) Langer Heinrich Mine operations costs	(1,534)	(1,534)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	667	667
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	32	32
1.9	Net cash from / (used in) operating activities	(2,009)	(2,009)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(103)	(103)
	(d) exploration & evaluation	(412)	(412)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		US\$'000	US\$'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Langer Heinrich Restart Project	(1,951)	(1,951)
2.6	Net cash from / (used in) investing activities	(2,466)	(2,466)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ⁽⁵⁾	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ⁽¹⁾	85	85
3.10	Net cash from / (used in) financing activities	85	85

(1) Funds received in arrears by way of loan from CNNC to Langer Heinrich Uranium Pty Ltd for FY2022 care & maintenance activities.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	177,066	177,066
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,009)	(2,009)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,466)	(2,466)

Consolidated statement of cash flows		Current quarter	Year to date
		US\$'000	(3 months) US\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	85	85
4.5	Effect of movement in exchange rates on cash held	(9,236)	(9,236)
4.6	Cash and cash equivalents at end of period	163,440	163,440

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	US\$'000	US\$'000
5.1	Bank balances	25,773	32,168
5.2	Call deposits	137,667	144,898
5.3	Bank overdrafts	-	
5.4	Other (provide details)	-	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	163,440	177,069

6.	Payments to related parties of the entity and their associates	Current quarter
		US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ⁽¹⁾ (2)	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>(1) <i>Payments relate to Directors' Fees.</i></p> <p>(2) <i>In FY2022, Peter Watson was requested by the Board to provide additional oversight to the Langer Heinrich Mine Restart Project and a variation to amend his directors' fees from A\$100,000 to \$200,000, on an arms-length and commercial basis, was approved by the Board effective 1 April 2022. The Board considered that these services are limited in nature and are in the best interests of shareholders.</i></p>		

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7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$’000	Amount drawn at quarter end US\$’000												
7.1	Loan facilities	82,890	82,801												
7.2	Credit standby arrangements	-	-												
7.3	Other (please specify)	-	-												
7.4	Total financing facilities	82,890	82,801												
7.5	Unused financing facilities available at quarter end		88												
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.														
<p>A total of US\$494.1M has been provided to Langer Heinrich Uranium Pty Ltd (LHU) by Paladin and its wholly owned subsidiary companies (US\$411.2M) and CNNC Overseas Uranium Holding Limited (CNNC) (US\$82.9M). During the quarter Paladin increased its loan facilities by US\$116.5M. Repayment of Shareholder Loans is dependent on LHU generating sufficient free cash flows to repay the relevant loans. The Shareholder Loans are not guaranteed by Paladin and are unsecured.</p> <p>Paladin’s Shareholder Loans to LHU are eliminated on accounting consolidation. Details of the unsecured Shareholders Loans that CNNC has provided to LHU are set out below:</p> <table><tr><th>CNNC Shareholder Loan Amount</th><th>Maturity Date</th><th>Interest Rate</th></tr><tr><td>US\$63.9M</td><td>17 December 2027</td><td>No interest payable during care and maintenance.</td></tr><tr><td>US\$18M</td><td>17 December 2027</td><td>10% + 2% administration fee pa</td></tr><tr><td>US\$0.98M</td><td>1 July 2026</td><td>SOFR* + 4% + 2.5% administration fee pa</td></tr></table> <p>*Secured Overnight Financing Rate</p> <p>Under the Shareholders’ Agreement between Paladin and CNNC each shareholder has agreed not to demand repayment of the Shareholder Loans without the prior written consent of the other shareholder.</p>				CNNC Shareholder Loan Amount	Maturity Date	Interest Rate	US\$63.9M	17 December 2027	No interest payable during care and maintenance.	US\$18M	17 December 2027	10% + 2% administration fee pa	US\$0.98M	1 July 2026	SOFR* + 4% + 2.5% administration fee pa
CNNC Shareholder Loan Amount	Maturity Date	Interest Rate													
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8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,009)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(412)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,421)
8.4	Cash and cash equivalents at quarter end (item 4.6)	163,440
8.5	Unused finance facilities available at quarter end (item 7.5)	88
8.6	Total available funding (item 8.4 + item 8.5)	163,528
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	68
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.