



## PALADIN ENERGY LTD

ACN 061 681 098

22 June 2015

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **Historic Decision by Canadian Government for Paladin's Michelin Project**

Paladin is pleased to advise that it has received notification on 22 June 2015 from the Canadian Government that its submission to be the majority owner of a uranium mine at the Michelin Project in Canada has 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 in Newfoundland and Labrador which Paladin acquired in 2011. 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 without this restriction would permit Paladin to introduce a suitable minority joint venture partner at the appropriate time should this be desired.

Paladin has undergone an extensive and rigorous appraisal process by the relevant authorities in Canada conducted over a 5 month period. The decision has required the support of the Minister of Natural Resources, the Hon. Greg Rickford and ultimately the Prime Minister, Mr Harper. During the familiarisation and due diligence process that was conducted to assess the submission for an exemption from NROP, Paladin was questioned on its achievements, technical abilities, environmental performance, commodity knowledge and social responsibility particularly its relation to the local communities and its standing with the Nunatsiavut government which is tasked to manage the Labrador Inuit Lands. Paladin welcomes the government's pragmatic decision which will bolster development of Canada's substantial uranium resource. By granting this exemption the government reinforces the spirit of reciprocity that anchors investment and trade relations between Australia and Canada.

Paladin's Managing Director/CEO John Borshoff said: *"Paladin owns uranium projects in Canada and Australia in addition to having developed mining operations in two countries in Africa. As Paladin is an established producer, it is very important to our objective of becoming a truly global uranium producer that Paladin establishes, in due course, a mine in Canada, a country which is a major, highly reputable producer of uranium. With the inevitable market improvement ahead, this exemption allows us to develop a uranium mine at our Michelin Project in Labrador when the uranium price is at an appropriate level and after obtaining all necessary approvals and consents."*

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*Receiving this waiver became vital in forwarding progress on this key project. I sincerely thank the Canadian Government for this historic decision and, more importantly, the trust those authorities involved have shown in Paladin which we take very seriously”.*

The Michelin project is located approximately 140km north east from the town of Happy Valley-Goose Bay. As previously reported on 26 June 2014 in the announcement titled “Michelin Uranium Deposit, Labrador, Updated Mineral Resource” the project area is estimated to contain a Measured & Indicated mineral resource of 47.7Mt for 100.8Mlb U<sub>3</sub>O<sub>8</sub> and an Inferred mineral resource of 21.9Mt for 39.8Mlb U<sub>3</sub>O<sub>8</sub> conforming to the Joint Ore Reserves Committee (JORC) 2004 and 2012 guidelines . Of this, 37.5Mt for 84.1Mlb U<sub>3</sub>O<sub>8</sub> of Measured and Indicated category and 8.8Mt for 22.9Mlb U<sub>3</sub>O<sub>8</sub> of Inferred category of mineral resources (JORC 2012) are contained in the Michelin deposit. The Company believes that the area surrounding the Michelin project is highly prospective for the discovery of additional uranium resources which would be expected to enhance the economics of any mining project centred around the Michelin deposit. Paladin plans to commence its summer exploration programme in July and this will then be followed by a winter drilling programme of approximately 6000m of drilling focussed principally on further definition of the Michelin Deposit and nearby targets.

Yours sincerely  
Paladin Energy Ltd



**JOHN BORSHOFF**  
**Managing Director/CEO**

In the above announcement, for information that is reported as conforming to the Joint Ore Reserves Committee (JORC) 2004 and 2012 code guidelines, the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Reserves, Probable Reserves are equivalent to the terms used in Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) Inferred Mineral Resource, Indicated Mineral Resource, Measured Mineral Resource, Mineral Reserves, Proven Mineral Reserve and Probable Mineral Reserve, respectively.

Unless otherwise identified, information in above announcement in relation to the Michelin project area mineral resources was prepared and first disclosed under the JORC 2004 code. It has not been updated since to comply with the JORC 2012 code on the basis that the information from which the estimates are derived has not materially changed since it was last reported.

#### Declaration

The information in this announcement that relates to exploration results and mineral resources is based on information compiled by David Princep B.Sc., FAusIMM(CP). 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 a 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 NI 43-101. Mr Princep is a full-time employee of Paladin Energy Ltd and approves of and consents to the inclusion of the information in this announcement in the form and context in which it appears.

#### Caution regarding forward-looking information

Except for historical information contained in this news release, this news release contains “forward-looking information” within the meaning of securities laws of applicable jurisdictions. The forward-looking information includes, but is not limited to, statements with respect to estimated mineral resources for the Michelin deposit, any potential production of uranium from the Michelin project, the prospectivity of the region surrounding the Michelin deposit to host uranium mineralisation and Paladin’s plans to conduct exploration and drilling programmes on the Michelin Deposit and on nearby targets. Assumptions upon which such forward-looking information is based include that the Michelin deposit may prove to be economic at some point in the future, that all permitting required to allow for production will be approved, that the Company will continue to have the ability to carry on

its exploration activities, will have or will be able to obtain sufficient funding, will receive required approvals on a timely basis, will not be affected by adverse political events, will continue to operate in a safe, efficient and effective manner and will be able to obtain further financing as and when required and on reasonable terms and that there will be a sufficient increase in the uranium price to incentivise project development. Management believes these assumptions are reasonable. However, forward-looking information involves known and unknown risks, uncertainties and other factors, many of which are outside the control of Paladin, and its officers, employees, agents or associates. Such risks, uncertainties and other factors include, but are not limited to, that necessary approvals for the commencement of production at Michelin are granted, the business of exploration for uranium involves a high degree of risk and is highly speculative in nature, mineral resources are not mineral reserves, they do not have demonstrated economic viability and there is no certainty that they can be upgraded to mineral reserves through continued exploration; few properties that are explored are ultimately developed into producing mines; geological factors; the actual results of current and future exploration; changes in project parameters as plans continue to be evaluated, and those factors discussed in the section entitled "Risk Factors" in Paladin's most recent Annual Information Form available under Paladin's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although Paladin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Actual results, performance or achievements may vary materially from those suggested by such forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information and Paladin assumes no obligation to update such information, except as required by applicable law.