



PALADIN ENERGY LTD

ACN 061 681 098

NOTICE OF GENERAL MEETING

Date of Meeting

Wednesday, 5 February 2020

Time of Meeting

10.00am (Perth time)

Place of Meeting

Corrs Chambers Westgarth
Level 6, Brookfield Place
Tower 2, 123 St Georges Terrace
Perth, Western Australia, 6000

**PALADIN ENERGY LTD
ACN 061 681 098**

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the members of Paladin Energy Ltd will be held at the Corrs Chambers Westgarth, Level 6, Brookfield Place, Tower Two, 123 St Georges Terrace, Perth, Western Australia, 6000 on Wednesday, 5 February 2020 at 10.00am (Perth time) for the purpose of transacting the following business.

AGENDA

BUSINESS

Resolution 1 – Election of Director – Mr Peter Watson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Peter Watson retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director".

Resolution 2 – Election of Director – Mr Peter Main

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Peter Main retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director".

Resolution 3 – Approval of Issue of Performance Rights to Mr Cliff Lawrenson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves the allotment and issue of 6,000,000 performance rights to Mr Cliff Lawrenson or his nominee on the terms and conditions set out in the Explanatory Notes accompanying this Notice".

Voting Prohibition

As required by section 224 of the Corporations Act, a vote on the resolution must not be cast (in any capacity) by or on behalf of Mr Cliff Lawrenson or any of his associates. However, this prohibition does not apply if:

- a) the vote is cast by a person as proxy and the proxy form specifies how the proxy is to vote on the resolution; and
- b) the vote is not cast on behalf of Mr Lawrenson, his associates or any related party of Mr Lawrenson.

Further, a vote on the resolution must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

You should be aware that if the Chair of the Meeting is a person who is precluded from voting on the resolution in accordance with section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the proxy form specifies how the proxy is to vote on the resolution.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a) Mr Cliff Lawrenson; or
- b) an associate of Mr Lawrenson.

However, this does not apply to a vote cast in favour of the resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Approval of Issue of Performance Rights to Mr Peter Watson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"Subject always to Resolution 1 being approved by the requisite majority, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves the allotment and issue of 4,000,000 performance rights to Mr Peter Watson or his nominee on the terms and conditions set out in the Explanatory Notes accompanying this Notice".

Voting Prohibition

As required by section 224 of the Corporations Act, a vote on the resolution must not be cast (in any capacity) by or on behalf of Mr Peter Watson or any of his associates. However, this prohibition does not apply if:

- a) the vote is cast by a person as proxy and the proxy form specifies how the proxy is to vote on the resolution; and
- b) the vote is not cast on behalf of Mr Watson, his associates or any related party of Mr Watson.

Further, a vote on the resolution must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

You should be aware that if the Chair of the Meeting is a person who is precluded from voting on the resolution in accordance with section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the proxy form specifies how the proxy is to vote on the resolution.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a) Mr Peter Watson; or
- b) an associate of Mr Watson.

However, this does not apply to a vote cast in favour of the resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Approval of Issue of Performance Rights to Mr Peter Main

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"Subject always to Resolution 2 being approved by the requisite majority, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, the Company approves the allotment and issue of 4,000,000 performance rights to Mr Peter Main or his nominee on the terms and conditions set out in the Explanatory Notes accompanying this Notice".

Voting Prohibition

As required by section 224 of the Corporations Act, a vote on the resolution must not be cast (in any capacity) by or on behalf of Mr Peter Main or any of his associates. However, this prohibition does not apply if:

- a) the vote is cast by a person as proxy and the proxy form specifies how the proxy is to vote on the resolution; and
- b) the vote is not cast on behalf of Mr Main, his associates or any related party of Mr Main.

Further, a vote on the resolution must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

You should be aware that if the Chair of the Meeting is a person who is precluded from voting on the resolution in accordance with section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the proxy form specifies how the proxy is to vote on the resolution.

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a) Mr Peter Main; or
- b) an associate of Mr Main.

However, this does not apply to a vote cast in favour of the resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Other Business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of this Notice of General Meeting:

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of directors of the Company;

"**Chair**" means the chair of the Meeting;

"**Closely Related Party**" of a member of Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act;

"**Company**" or "**Paladin**" means Paladin Energy Ltd ACN 061 681 098;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Explanatory Notes**" means the explanatory notes accompanying the Notice;

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise), or if the Company is part of a consolidated entity, of an entity within the consolidated group;

"**Last Practicable Date**" means the last practicable date prior to the date of finalising the Notice, being 17 December 2019.

"**Listing Rules**" means the listing rules of the ASX;

"**Meeting**" means the meeting convened by the Notice;

"**Notice**" or "**Notice of General Meeting**" means this notice of general meeting, including the Explanatory Notes;

"Performance Right" means a right which entitles the holder to be issued with a Share for nil consideration, subject to the applicable vesting conditions being satisfied and the terms set out in **Annexure A**.

"Proxy Form" means the proxy form accompanying the Notice;

"Shares" or **"Ordinary Shares"** means fully paid ordinary shares in the capital of the Company;

"Shareholder" means a holder of Shares;

"WST" means Australian Western Standard Time.

Designated Foreign Issuer pursuant to Canadian Securities Laws

Pursuant to Canadian National Instrument 71-102 (the "Instrument") *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, Paladin Energy Ltd. (the "Company") hereby discloses that it is a Designated Foreign Issuer as such term is defined in the Instrument and is subject to the regulatory requirements of Australian Securities laws and the rules and regulations of the Australian Securities Exchange.

By order of the Board



Andrea Betti
Group Company Secretary
Dated: 18 December 2019

PROXIES

A Shareholder entitled to attend and vote at the Meeting may appoint a proxy. A Shareholder entitled to cast two or more votes at the Meeting can appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

Proxies must be delivered prior to 10.00am (Perth time) on Monday, 3 February 2020 using one of the following methods:

Online:

At www.investorvote.com.au

By mobile:

Scan the QR Code on your Proxy Form and follow the prompts

By mail:

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By fax:

1800 783 447 (within Australia) or
+61 3 9473 2555 (outside Australia)

Custodian voting:

For Intermediary Online subscribers only
(custodians) please visit
www.intermediaryonline.com to submit your
voting intentions.

UNDIRECTED PROXIES

If a Shareholder entitled to vote appoints the Chair as their proxy (or the Chair becomes their proxy by default) and the Shareholder does not direct the Chair how to vote on resolutions 3, 4 and/or 5, the Shareholder may authorise the Chair in respect of those resolutions to exercise the proxy notwithstanding those resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Further details are contained in the Proxy Form.

Where the Chair is appointed as proxy for a Shareholder entitled to vote, the Chair will (where authorised) vote all undirected proxies IN FAVOUR of all of the proposed resolutions to be considered at the Meeting. Accordingly, if you appoint the Chair as your proxy and wish to vote differently to how the Chair intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the Proxy Form for the relevant resolution.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company determines that members holding Shares at 4.00pm (Perth time) on Monday, 3 February 2020 will be entitled to attend and vote at the General Meeting.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'.

BODY CORPORATE REPRESENTATIVES

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with, or presented to, the Company before the Meeting.

RESOLUTIONS

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to Shareholders at the Meeting.

75% of votes cast are required to approve all special resolutions to be submitted to Shareholders at the Meeting.

EXPLANATORY NOTES

The following information is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting.

The Directors recommend that Shareholders read the Explanatory Notes in full before making any decision in relation to the resolutions.

ORDINARY RESOLUTIONS

Resolutions 1 and 2 – Election of Directors

The Constitution provides that the Board may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election. The Listing Rules similarly require that a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Messrs Peter Watson and Peter Main have each been appointed as Directors since the Company's last annual general meeting held in November 2019. While these Directors are not required to retire and stand for election until the Company's 2020 annual general meeting, the Board considers it prudent to seek the election of these Directors at the Meeting. The Constitution provides that the Company may, at a general meeting at which a Director retires, fill the vacated office by electing the retiring Director by resolution.

Accordingly, each of Messrs Peter Watson and Peter Main retire as Directors and, being eligible, offer themselves for election as Directors of the Company. Mr Watson's and Mr Main's qualifications are set out below.

Resolution 1 – Election of Peter Watson

Term in office: Appointed as a Non-Executive Director on 11 December 2019

Independent: Yes

Skills and experience: Mr Peter Watson is a chemical engineer with more than 35 years' experience in the global resources sector across senior technical, project, and management roles as well as corporate experience in running ASX-listed companies. His experience includes project development, project delivery, asset optimisation and mining facilities operations across multiple commodities and global jurisdictions, including Africa. Mr Watson has held technical and senior executive roles with a number of companies, culminating in his appointment as the MD & CEO of Sedgman Limited. Mr. Watson has also held a number of senior and directorship roles at Strandline Resources Ltd, Sedgman Limited, New Century Resources, Resource Generation and EvacGroup, bringing significant board level experience at both the public and wholly owned company level, particularity on matters covering safety, governance, financial reporting, risk management, strategy and leadership.

Mr Watson is currently an executive director at Strandline Resources (ASX:STA) and a non-executive director at New Century Resources Ltd (ASX:NCZ).

Board recommendation: The Board (other than Mr Watson because of his interest in the outcome of resolution 1) recommends that Shareholders vote in favour of Mr Watson's election.

Resolution 2 – Election of Peter Main

<i>Term in office:</i>	Appointed as a Non-Executive Director on 11 December 2019.
<i>Independent:</i>	Yes
<i>Skills and experience:</i>	<p>Mr Peter Main is a mining and finance professional with extensive experience in these sectors spanning more than 30 years. During that time, Mr Main has developed an extensive working knowledge of the financial markets with a wealth of contacts and industry experience. Mr Main has spent almost 15 years in a variety of roles in the mining industry from operations through to CEO of a TSX-V listed mining company, obtaining diverse experience across most facets of mining operations. He has spent 20 years in finance, mainly working for investment banks, including 11 years managing the Royal Bank of Canada's (RBC) Australian equity sales and trading business and co-managing RBC's regional business. Prior to this Mr Main spent 6 years at Hartley Poynton as a mining analyst and almost 9 years serving in the Australian Army.</p> <p>Mr Main is currently Managing Director of Conan Minerals Group Pty Ltd providing access to short term debt capital enabling access to economically sound growth strategies with the objective of providing short to medium term funding solutions.</p>
<i>Board recommendation:</i>	The Board (other than Mr Main because of his interest in the outcome of resolution 2) recommends that Shareholders vote in favour of Mr Main's election.

Resolutions 3, 4 and 5 – Approval of Issue of Performance Rights to Directors

Resolutions 3, 4 and 5 seek Shareholder approval for the issue of Performance Rights to the following Directors (or their respective nominees):

Resolution	Director	Number of Performance Rights
3	Mr Cliff Lawrenson	6,000,000
4	Mr Peter Watson	4,000,000
5	Mr Peter Main	4,000,000

The proposed issue of the Performance Rights forms part of the Company's remuneration strategy for Non-Executive Directors, in lieu of a portion of cash remuneration. The Performance Rights are proposed to be issued to the Directors in order to provide an equity based component to their respective remuneration packages.

The Board acknowledges that the grant of Performance Rights to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations (3rd Edition). However, the Board considers the proposed issue of the Performance Rights to each of Messrs Lawrenson, Watson and Main to be reasonable in the circumstances in order to further align their interests with that of Shareholders and to provide appropriate remuneration to the Non-Executive Directors for their ongoing commitment and contribution to the Company whilst minimizing the expenditure of the Company's cash resources.

In this regard, the Board notes that in connection with the proposed grant of the Performance Rights to Directors, the fixed annual cash compensation payable to the Company's Chairman has been reduced from \$125,000 to \$110,000 and that the fixed annual cash compensation payable to the remaining Non-Executive Directors has been reduced from \$80,000 to \$70,000. In addition, the number of Directors on the Company's Board has been reduced from four to three, reducing fixed annual cash compensation by a further \$80,000. The result of these changes is that fixed cash compensation payable to the Board has been reduced by \$115,000 per annum.

Summary of the terms attaching to the Performance Rights

The Performance Rights will vest in four equal tranches, subject to the applicable vesting condition relating to the volume weighted average price (VWAP) of Shares being met:

Tranche	No. of Performance Rights that Vest	Vesting Condition
1	25%	5-day VWAP of Shares is equal to or greater than \$0.20
2	25%	5-day VWAP of Shares is equal to or greater than \$0.30
3	25%	5-day VWAP of Shares is equal to or greater than \$0.40
4	25%	5-day VWAP of Shares is equal to or greater than \$0.50

Each Performance Right that vests will automatically entitle the holder to be issued with one Share.

The Performance Rights will be issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a Performance Right. The holder of any Shares issued on the vesting of the Performance Rights will generally be restricted from selling, transferring or otherwise disposing of the Shares for a period ending 12 months after the date that the relevant vesting condition was satisfied.

Any Performance Rights that have not vested on or before the date that is five years after the date of issue will automatically lapse and become incapable of vesting into Shares.

A summary of the material terms of the Performance Rights is attached at **Annexure A**.

Requirement for Shareholder approval

Shareholder approval is required under Listing Rule 10.11 in respect of all securities to be issued to a related party of the Company (including a Director) or any associate of the related party.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the Company without prior shareholder approval, unless the benefit falls within one of various exceptions to that prohibition contained in the Corporations Act. "Related party" is widely defined and includes all directors of a public company. "Financial benefit" has a wide meaning and includes the issue of securities by a public company to a director. Resolutions 3 to 5, if passed, will each confer a financial benefit on a Director of the Company. Whilst there are certain exceptions to the requirement to seek such approval for the purposes of Chapter 2E of the Corporations Act, in the circumstances the Board considers it prudent to obtain Shareholder approval to the proposed grant of the Performance Rights for these purposes, noting that the approval of Shareholders is required in any event under Listing Rule 10.11.

Accordingly, resolutions 3 to 5 seek Shareholder approval for the proposed issue of the Performance Rights to Messrs Lawrenson, Watson and Main under both Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Information requirements for the purposes of Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act (and for all other purposes), the following information is provided to Shareholders:

- (a) The proposed financial benefit to be given to the Directors is as follows:

Resolution	Director	Number of Performance Rights
3	Cliff Lawrenson	6,000,000
4	Peter Watson	4,000,000
5	Peter Main	4,000,000

A summary of the material terms of the Performance Rights is attached at **Annexure A**.

- (b) Resolutions 3 to 5 seek approval from Shareholders to allow the Company to issue the Performance Rights to the Directors (or their nominees) in accordance with the table set out above. The Performance Rights are to be issued as part of the Directors' remuneration package and the issue will allow the Company to appropriately remunerate Messrs Lawrenson, Watson and Main whilst preserving the Company's limited cash reserves.

The number of Performance Rights proposed to be issued to each Director was determined having regard to the level of remuneration deemed appropriate to attract suitably qualified persons to act as Directors of the Company. As the Performance Rights have a five year term, it is not expected that there will be annual grants of equity incentives to Directors. Further, it is noted that the Performance Rights will only vest, and the Directors will only be able to realise value from the grant of the Performance Rights, if there is a substantial appreciation in the Company's share price (noting the Company's share price at the Last Practicable Date was \$0.085), thereby aligning the interests of Directors with the interests of Shareholders.

- (c) If Shareholders approve the issue of the Performance Rights the subject of resolutions 3 to 5, and assuming all of the Performance Rights are issued and vest into Shares and no other equity securities are issued or exercised, this will dilute the shareholdings of the Company's existing Shareholders by approximately 0.069% (based on the Company's issued Share capital as at the Last Practicable Date). The actual dilution will depend on the number of additional Shares that are actually issued and the Company's capital structure at the time of issue.
- (d) The highest and lowest closing prices of Shares on the ASX in the 12 months ending on the Last Practicable Date were \$0.16 on 31 July 2019 and \$0.078 on 30 October 2019.
- (e) The closing price of Shares on ASX on the Last Practicable Date was \$0.085.
- (f) Based on an assumed Share price of \$0.09 and using a risk free rate of 0.78%, the value of the various tranches of Performance Rights proposed to be issued to the Directors the subject of resolutions 3 to 5 (using a Monte Carlo valuation model) is as follows:

	Cliff Lawrenson (Resolution 3)	Peter Watson (Resolution 4)	Peter Main (Resolution 5)
Tranche 1 Subject to vesting condition that 5-day VWAP of Shares is equal to or greater than \$0.20	\$109,950	\$73,300	\$73,300
Tranche 2 Subject to vesting condition that 5-day VWAP of Shares is equal to or greater than \$0.30	\$93,000	\$62,000	\$62,000
Tranche 3 Subject to vesting condition that 5-day VWAP of Shares is equal to or greater than \$0.40	\$80,100	\$53,400	\$53,400
Tranche 4 Subject to vesting condition that 5-day VWAP of Shares is equal to or greater than \$0.50	\$70,200	\$46,800	\$46,800
Total	\$353,250	\$235,500	\$235,500

As the vesting of the Performance Rights is subject to vesting conditions linked to the Company's Share price, the Directors will not be able to realise any value from the grant of the Performance Rights unless and until the applicable vesting conditions have been satisfied.

- (g) The total annual remuneration arrangements for the Directors the subject of resolutions 3 to 5 (as at the Last Practicable Date) is as follows:

Director	Position	Salary and fees (per annum)
Cliff Lawrenson	Non-Executive Chairman	\$110,000
Peter Watson	Non-Executive Director	\$70,000
Peter Main	Non-Executive Director	\$70,000

- (h) The Directors the subject of resolutions 3 to 5 have the following relevant interests in the Shares of the Company (as at the Last Practicable Date):

Director	Number of Shares	Number of Options	Number of Performance Rights
Cliff Lawrenson	Nil	Nil	Nil
Peter Watson	Nil	Nil	Nil
Peter Main	Nil	Nil	Nil

- (i) Assuming resolutions 3 to 5 are approved by Shareholders, all of the Performance Rights are issued and vest into Shares, and no other equity securities are issued, exercised or are otherwise acquired by the Directors, then the Directors the subject of resolutions 3 to 5 would have the following relevant interests in the Shares of the Company (based on the Company's issued share capital as at the Last Practicable Date):

Director	Number of Shares	Percentage ownership (undiluted)
Cliff Lawrenson	6,000,000	0.296%
Peter Watson	4,000,000	0.197%
Peter Main	4,000,000	0.197%

- (j) The issue of the Performance Rights to the Directors the subject of resolutions 3 to 5 will have the following impacts on the Company, assuming all of those Performance Rights are issued and vest into Shares, and no other equity securities are issued or exercised:

- the issued share capital of the Company will increase by 14,000,000 Shares; and
- Shareholders' interests will be diluted as set out in paragraph (c) above.

- (k) There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

- (l) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass resolutions 3 to 5.

- (m) In relation to the Board's recommendation on how Shareholders should vote on resolutions 3 to 5, refer to the section titled "*Board recommendation*" below.

Information requirements for the purposes of Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided for the purposes of resolutions 3 to 5:

- (i) The following persons (or their respective nominees) are to receive the Performance Rights:

Resolution	Director
3	Cliff Lawrenson
4	Peter Watson
5	Peter Main

- (ii) The proposed issue of Performance Rights the subject of resolutions 3 to 5 require Shareholder approval because each of the proposed recipients is a Director of the Company and hence is a related party of the Company for the purposes of Listing Rule 10.11.

- (iii) The number and class of Performance Rights to be issued are as follows:

Resolution	Director	Type of Security	Number
3	Cliff Lawrenson	Performance Rights	6,000,000
4	Peter Watson	Performance Rights	4,000,000
5	Peter Main	Performance Rights	4,000,000

- (iv) A summary of the material terms of the Performance Rights is attached at **Annexure A**.

- (v) The Performance Rights will be issued as soon as practicable following Shareholder approval, but no later than 1 month after the date of the Meeting.

- (vi) The proposed issue of the Performance Rights forms part of the Company's remuneration strategy for its Directors, in lieu of additional cash remuneration. Accordingly, the Performance Rights will be issued for nil cash consideration.

- (vii) The purpose of the issue is to provide an equity component to the Directors' respective remuneration packages so as to preserve the Company's limited cash reserves. No funds will be raised from the issue.

- (viii) The current total remuneration package for each Director the subject of resolutions 3 to 5 is set out in paragraph (g) above under the heading "*Information requirements for the purposes of Chapter 2E of the Corporations Act*".

- (ix) A voting exclusion statement is included in the Notice in relation to resolutions 3 to 5.

If resolutions 3 to 5 are approved by Shareholders, Listing Rule 7.2 (Exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.11. Accordingly, if resolutions 3 to 5 are approved, the issue of these Performance Rights to the Directors will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of Listing Rule 7.1.

Board recommendation

Mr Lawrenson declines to make a recommendation to Shareholders in relation to resolution 3 due to his material personal interest in the outcome of the resolution on the basis that he is the person to whom the Performance Rights will be issued if resolution 3 is passed. However, in relation to resolutions 4 and 5, Mr Lawrenson recommends that Shareholders vote in favour of those resolutions on the basis that the issue of the Performance Rights will allow the Company to adequately reward the Directors the subject of those resolutions and align their interests with Shareholders, while preserving the Company's cash reserves.

Mr Watson declines to make a recommendation to Shareholders in relation to resolution 4 due to his material personal interest in the outcome of the resolution on the basis that he is the person to whom the Performance Rights will be issued if resolution 4 is passed. However, in relation to resolutions 3 and 5, Mr Watson recommends that Shareholders vote in favour of those resolutions on the basis that the issue of the Performance Rights will allow the Company to adequately reward the Directors the subject of those resolutions and align their interests with Shareholders, while preserving the Company's cash reserves.

Mr Main declines to make a recommendation to Shareholders in relation to resolution 5 due to his material personal interest in the outcome of the resolution on the basis that he is the person to whom the Performance Rights will be issued if resolution 5 is passed. However, in relation to resolutions 3 and 4, Mr Main recommends that Shareholders vote in favour of those resolutions on the basis that the issue of the Performance Rights will allow the Company to adequately reward the Directors the subject of those resolutions and align their interests with Shareholders, while preserving the Company's cash reserves.

ANNEXURE A: MATERIAL TERMS OF THE PERFORMANCE RIGHTS

The following terms apply to the Performance Rights the subject of resolutions 3 to 5:

- (a) The Performance Rights will vest in four equal tranches, subject to the applicable vesting condition relating to the volume weighted average price (**VWAP**) of Shares being met:

Tranche	No. of Performance Rights that Vest	Vesting Condition
1	25%	5-day VWAP of Shares is equal to or greater than \$0.20
2	25%	5-day VWAP of Shares is equal to or greater than \$0.30
3	25%	5-day VWAP of Shares is equal to or greater than \$0.40
4	25%	5-day VWAP of Shares is equal to or greater than \$0.50

- (b) Subject to the following terms, on the satisfaction of the applicable vesting condition, the specified number of Performance Rights will vest which will automatically entitle the holder to be issued with one Share for each Performance Right that vests.
- (c) The Performance Rights will be issued for nil cash consideration.
- (d) No consideration will be payable on the vesting of the Performance Rights.
- (e) The Shares issued on conversion of the Performance Rights will rank equally in all respects with all other issued Shares from the date of issue and will be held subject to the Constitution.
- (f) The Company will make an application to ASX for official quotation of the Shares issued upon the vesting of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.
- (g) Subject to paragraph (j) below, the holder of any Shares issued on the vesting of any Performance Rights is restricted from selling, transferring or otherwise disposing of those Shares for a period of 12 months after the date the relevant Performance Rights vest. The holder must enter into any arrangements reasonably required by the Company to give effect to such restrictions.
- (h) Any Performance Rights that have not vested in accordance with these terms on or before the date that is five years after the date of issue will automatically lapse and become incapable of vesting into Shares.
- (i) If the Board of the Company determines, acting in good faith and in accordance with their fiduciary duties, that the holder of the Performance Rights has acted fraudulently, dishonestly or otherwise in a manner which the Board reasonably considers would likely constitute a breach of the duties that they owe to the Company, all unvested Performance Rights held by the holder will automatically lapse.
- (j) Notwithstanding the vesting conditions specified in paragraph (a), all unvested Performance Rights will automatically vest if any of the following events occur:
- (i) in the case of a takeover bid (as defined in the Corporations Act), an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;
 - (ii) shareholders of the Company approve a proposed compromise or arrangement for the reconstruction of the Company or its acquisition by or merger or amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411 of the Corporations Act;

- (iii) a selective capital reduction or selective buy-back is announced in respect of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or
- (iv) the Company disposes of its main undertaking (as defined in the Listing Rules).

In such circumstances, Shares issued upon the vesting of the Performance Rights will not be subject to any restrictions whatsoever on the sale, transfer or disposal of those Shares and any restrictions in existence on the sale, transfer or disposal of Shares already on issue pursuant to paragraph (g) above will immediately cease to apply.

- (k) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganization.
- (l) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (m) A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can vest into.
- (n) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (o) A Performance Right is not transferable.
- (p) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.



Paladin Energy Ltd
ACN 061 681 098

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Perth time) Monday, 3 February 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183621

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Paladin Energy Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Paladin Energy Ltd to be held at Corrs Chambers Westgarth, Level 6, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth, Western Australia on Wednesday, 5 February 2020 at 10:00am (Perth time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 - 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 3 - 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 - 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Election of Director – Mr Peter Watson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Peter Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Issue of Performance Rights to Mr Cliff Lawrenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Issue of Performance Rights to Mr Peter Watson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Issue of Performance Rights to Mr Peter Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically