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PALADIN ENERGY LTD

ACN 061 681 098

23 July 2019

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

By Electronic Lodgement

Dear Sir/Madam

NOTEHOLDER CONSENT: SALE OF 85% INTEREST IN KAYELEKERA MINE IN MALAWI

Paladin Energy Ltd (**Paladin**) refers to its previous announcement dated 24 June 2019 regarding its entry into an agreement to sell its 85% interest in the Kayelekera Mine in Malawi through a sale of its shares in Paladin (Africa) Limited (**Paladin Africa**) to Lotus Resources Pty Ltd, a subsidiary of Hylea Metals Limited (ASX: HCO) (**Hylea**) (**Share Sale**).

Paladin also refers to its 9.00%/10.00% Senior Secured PIK Toggle Notes due 2023 (**Notes**).

Paladin has today launched a consent solicitation seeking noteholder consent to the following waivers and releases in order to facilitate the Share Sale:

- a waiver of the restrictions in the conditions of the Notes which apply to the Share Sale transaction, including waivers in respect of:
    - the sale of Paladin's 85% shareholding in Paladin Africa;
    - the assignment by Paladin and two of its subsidiaries of certain receivables owing to them by Paladin Africa;
    - the issue of shares in Hylea to Paladin (or a nominated subsidiary of Paladin) as consideration for the Share Sale; and
    - any future disposal by Paladin of the shares in Hylea which are issued to Paladin (or a nominated subsidiary of Paladin) pursuant to the Share Sale;
- the release of the following assets from the security interests granted by Paladin and its subsidiaries for the benefit of the Noteholders:
    - the receivables owing by Paladin Africa to Paladin (and certain of its other subsidiaries), which are to be assigned as part of the Share Sale transaction; and
    - the Hylea shares which are to be issued to Paladin pursuant to the Share Sale.

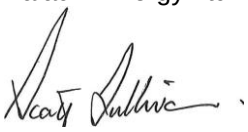
The extraordinary resolution requires the approval of:

- holders of more than 75% in aggregate principal amount of the Notes held by all noteholders represented and voting at a meeting of noteholders; or

- holders of more than 50% in aggregate principal amount of the Notes outstanding agreeing to the resolution in writing (ie. no meeting of noteholders is required).

The meeting of noteholders has been convened to be held at 10.00am (London time) on 14 August 2019. If holders of more than 50% of the aggregate principal amount of the Notes outstanding submit voting instructions in favour of the resolution by 12 August 2019, no meeting of noteholders will be held and the resolution will be held to have passed.

Yours faithfully
Paladin Energy Ltd



SCOTT SULLIVAN
CHIEF EXECUTIVE OFFICER

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