Paladin Energy

Development & Expansion of the Langer Heinrich Operation in Namibia

June 2009

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Project Location- Namibia

- Location - South West Africa Region
- Capital City - Windhoek
- Population - 2 million
- Stable, democratic republic. Independence since 1990
- Economy - mining 20% of GDP (U, Zn, Diamonds, Cu, Au)
- Nam $ pegged to South African Rand
- Climate - dry, sub-tropical

Project History

Gencor (1973-1987)

1973:- Langer Heinrich deposit discovered

1974-1976:- 25,00m percussion & 2,000m diamond drilling

1977-1979:- Mining, metallurgical & hydrological studies

Pilot plant trial for 18 months

1981-1987:- Extended drilling

Acclaim (1998-2002)

1998:- Acclaim acquired project

1999-2002:- Infill RC drilling completed. Positive PFS completed

PROJECT MOTHBALLED

Project History

Paladin Resources (2002 to date)

August 2002:- Paladin acquires project for $15,000

January 2003:- PFS revised, BFS development proposal compiled

February 2004:- Commence BFS

April 2005:- BFS successfully completed by GRD Minproc

September 2005:- Site works commenced

September 2006:- Primary crusher and front end commissioned

December 2006:- Mechanical completion

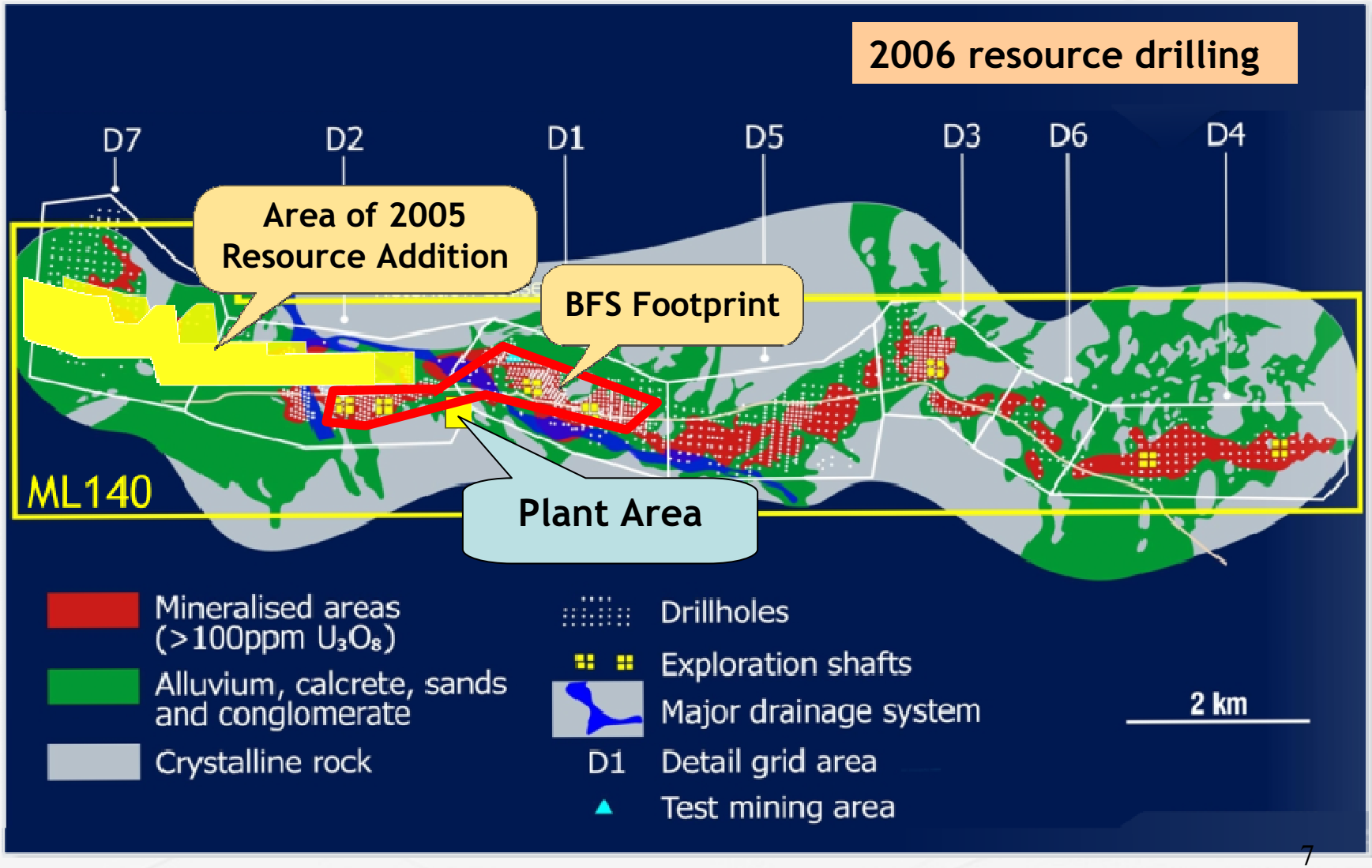
March 2007:- Official mine opening

December 2007:- Nameplate production achieved

Mineralogy

- Mineralization associated with calcretisation of valley fill fluvial sediments in palaeodrainage system
- Calcrete is a secondary, chemically precipitated limestone
- Uranium mineralization is as carnotite (an oxidized U & V secondary mineral)
- Carnotite occurs as thin films lining grains, cavities & fracture planes
- Deposit occurs over 15km in 7 main pods “Details”
- Mineralization is near surface, 1-30m thick & 50-1,100m wide

Geology and Mineralisation



Mineralogy

Current Resources & Reserves

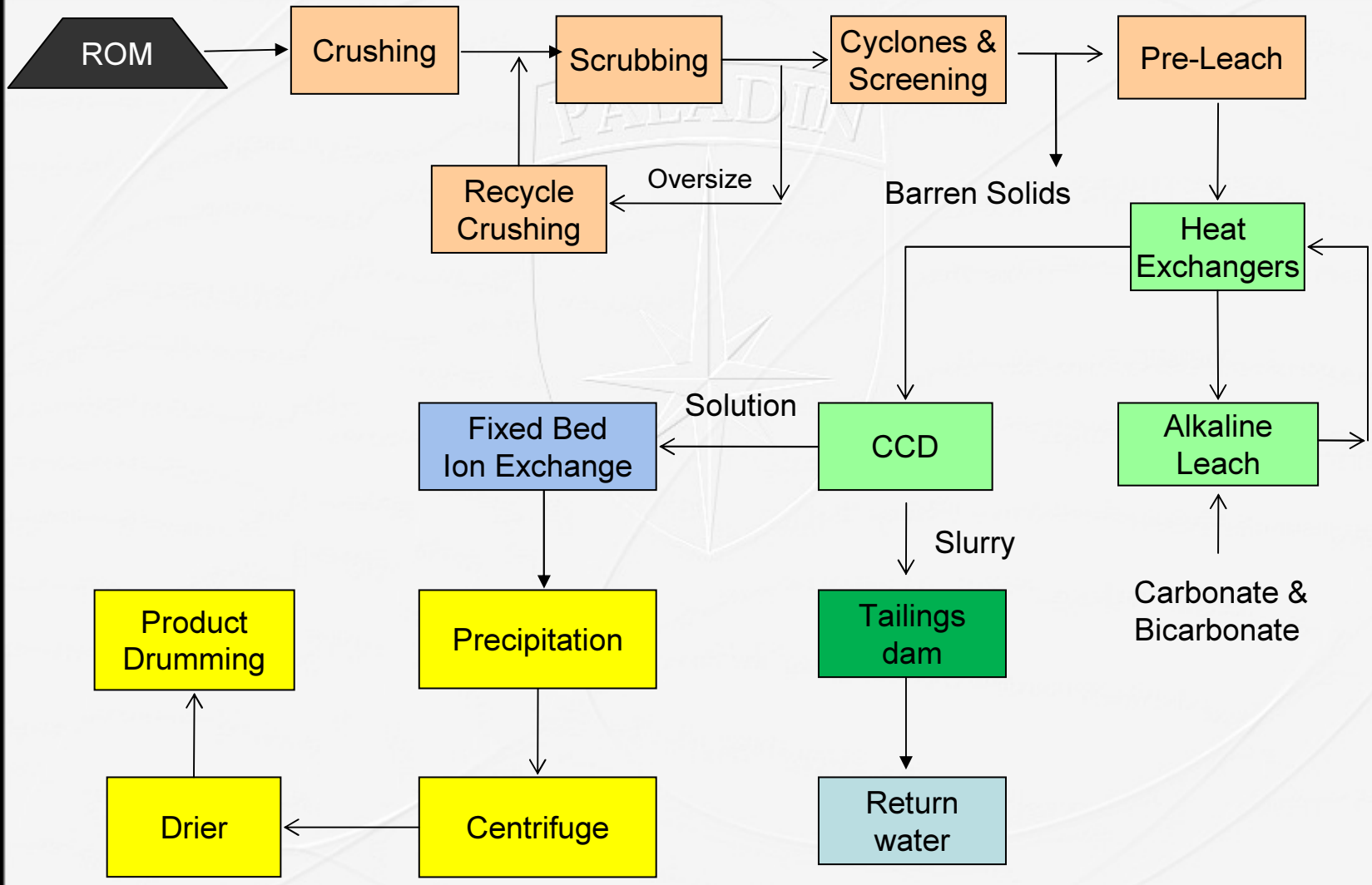
Mineral Resources (250ppm)	Mt	Grade	Tonnes
250ppm Cut off Grade		$\%U_3O_8$	U_3O_8
Measured & Indicated	56.4	0.06	32,858
Inferred	70.7	0.06	43,557
TOTALS	127.1	0.06	76,415
		$\%U_3O_8$	U_3O_8
Mining Reserves (@$30/lb)	Mt	Grade	Tonnes
250ppm Cut off Grade		$\%U_3O_8$	U_3O_8
Proven	30.0	0.06	17,924
Probable	20.6	0.06	11,950
TOTALS	50.6	0.06	29,874

JORC & NI 43 101 Compliant

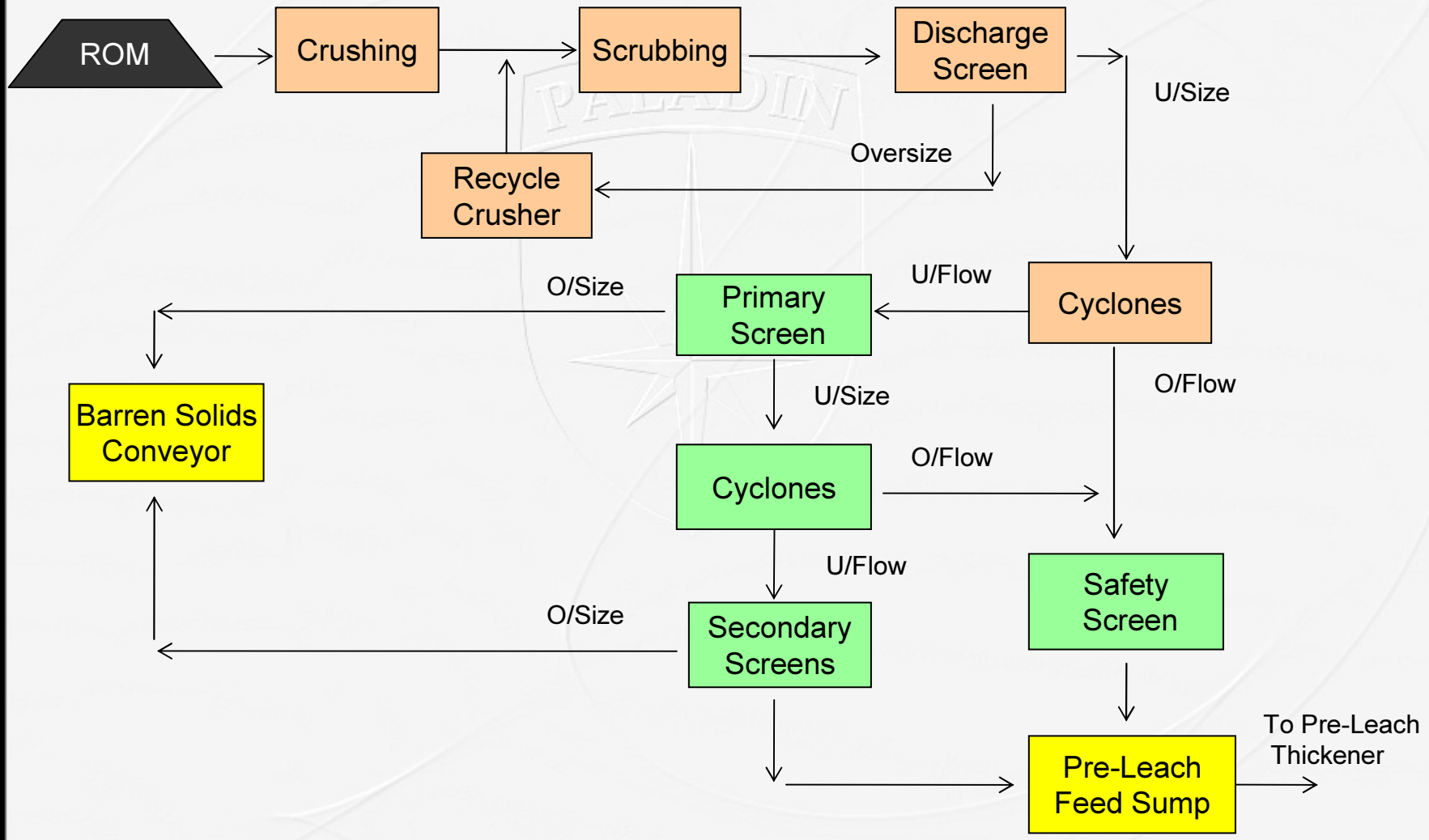
BFS Plant Operating Criteria

Operating Criteria	Units	Value
Ore Treatment Rate	t/a	1,500,000
	t/hr	190.2
Water Consumption	m3/a	1,300,000
Annual Production	t/a U_3O_8	1,180
Availability	%	95
Utilization	%	95
ROM Grade	ppm U_3O_8	875
"Barren" cut size	mm	0.5
Mass Split to Barren	%	55
Leach Temperature	Degrees C	>75

Stage I Flowsheet



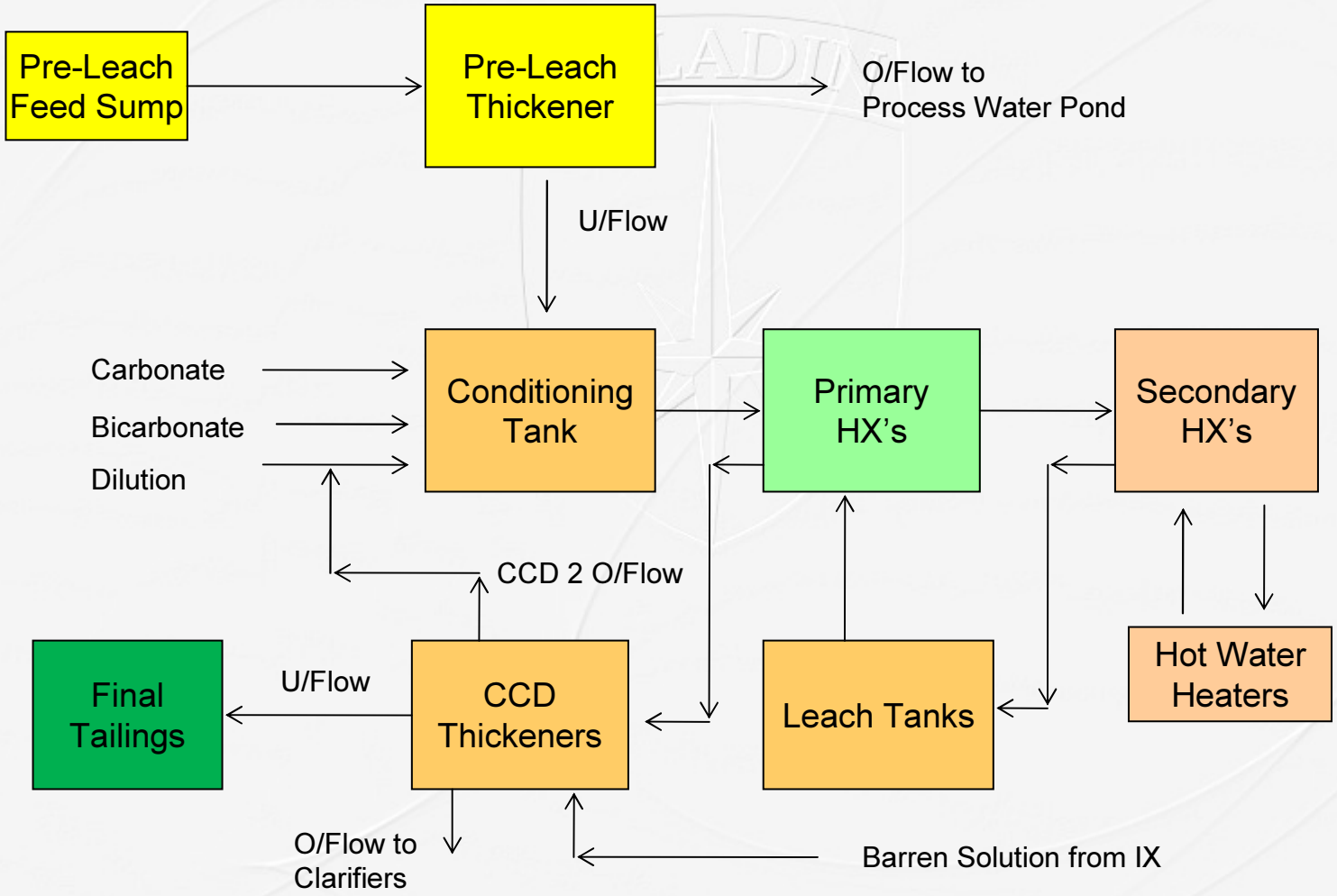
Crushing, Scrubbing & Screening



Crushing Circuit

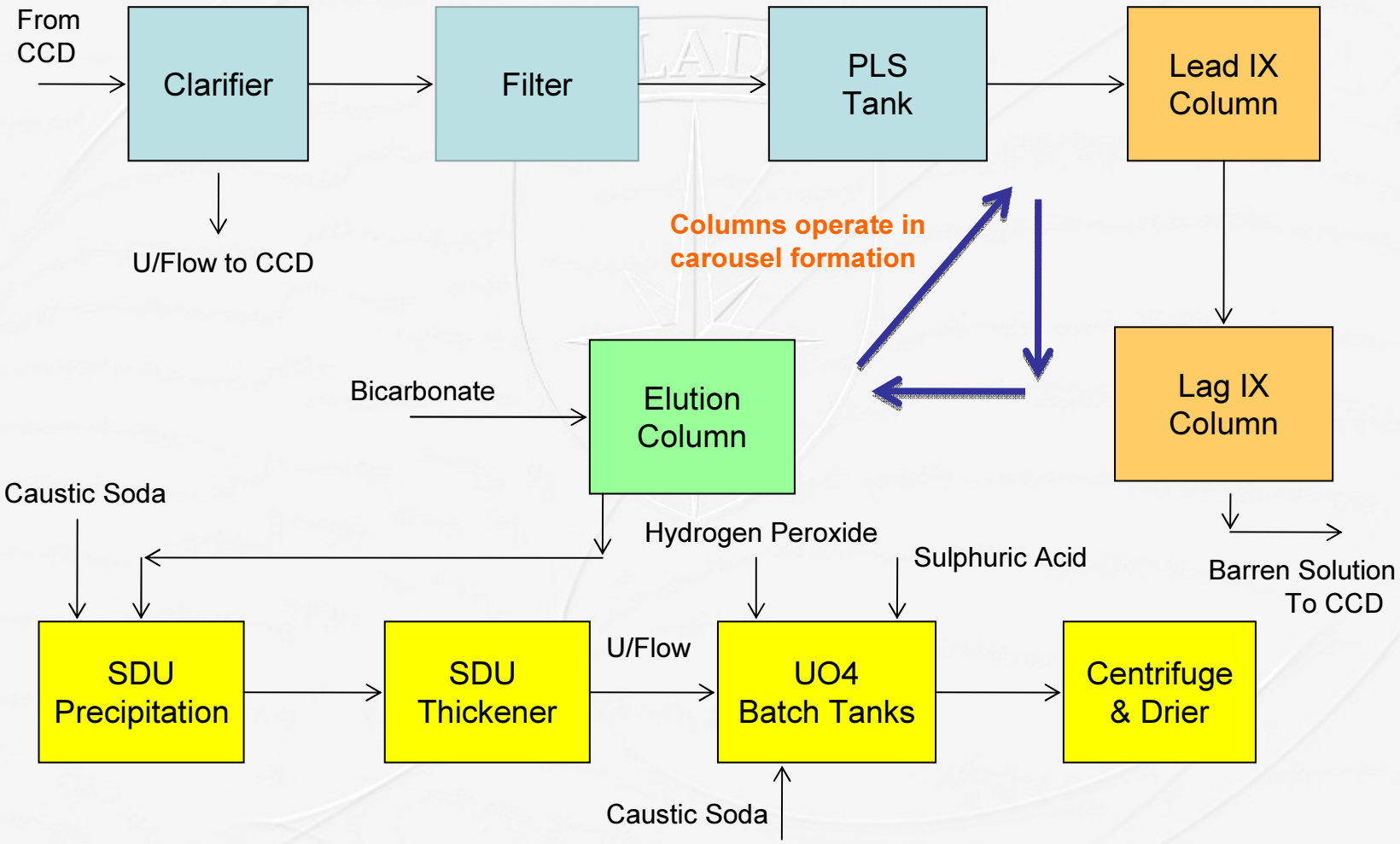
Scrubbing & Screening

Leach & CCD Circuits



Leach & CCD

Ion Exchange & Precipitation

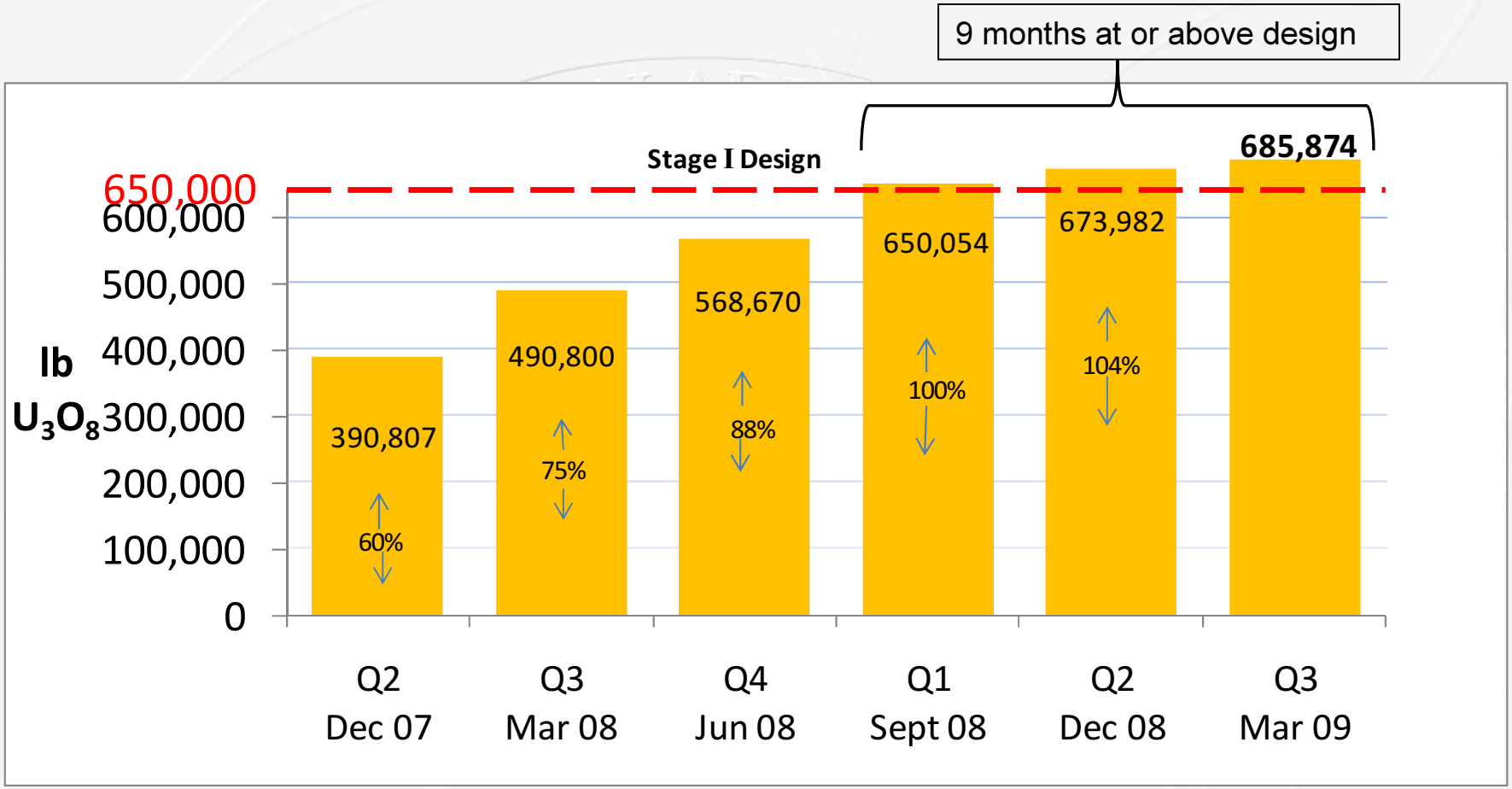


IX Columns

Ramp-up Lessons Learnt

- Handling Wet Material
- Mass Split to Barren
- Slurry Viscosity & Leach Agitators
- Leach Tank Lining & Heat Exchangers
- Leach Temperature
- Thickener & Clarifier Performance
- IX Column Design & Throughput
- Precipitation Chemistry

Langer Heinrich Production
Quarter by Quarter



Stage II Expansion

Objectives:

- **Design, construct and commission an expansion to the existing plant to increase design capacity of U_3O_8 production by 1.1Mlb/y to 3.7Mlb/y**
- **Short ramp-up to expanded capacity (308,333lb/month)**
- **Complete the project within the budget (US$50M)**
- **Have consideration for Stage III expansion requirements as part of this expansion project**
- **Minimise the operations interference due to brown-fields nature of project**
- **Consider use of RIP technology**

Stage II Expansion

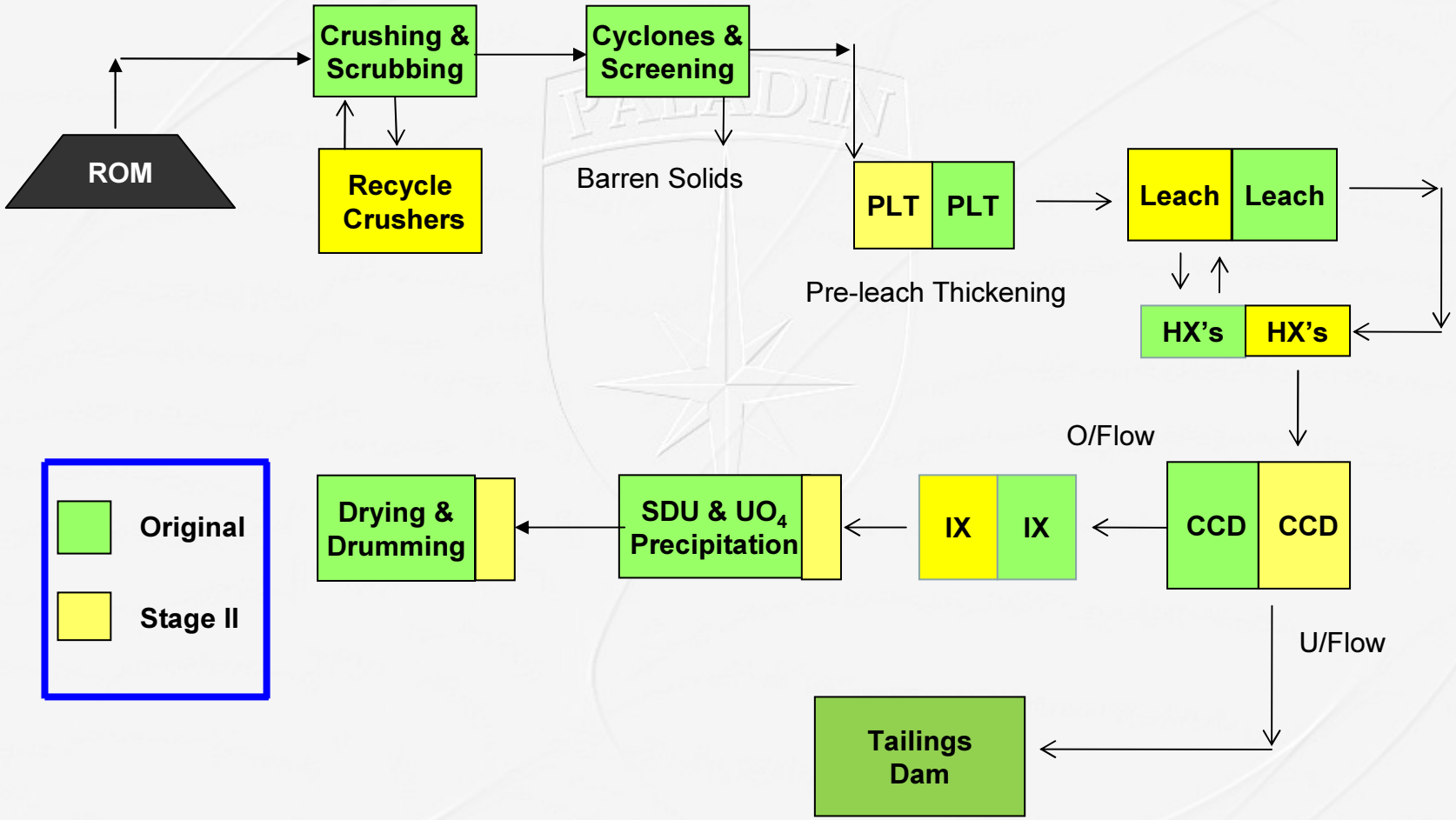
The following areas are addressed:

- Recycle Crushing Circuit & Feed Conveyor being up-graded
- Cyclone Circuit being expanded
- New Pre-Leach Thickener*1
- Additional Leach capacity inc. HX's, Heaters etc
- Additional High Density Thickeners*1
- Additional IX Columns
- New Drier inc. feed arrangement & building extension*1
- Increased reagent dosing capacity
- Additional MCC buildings etc
- Tailings Disposal up-grade

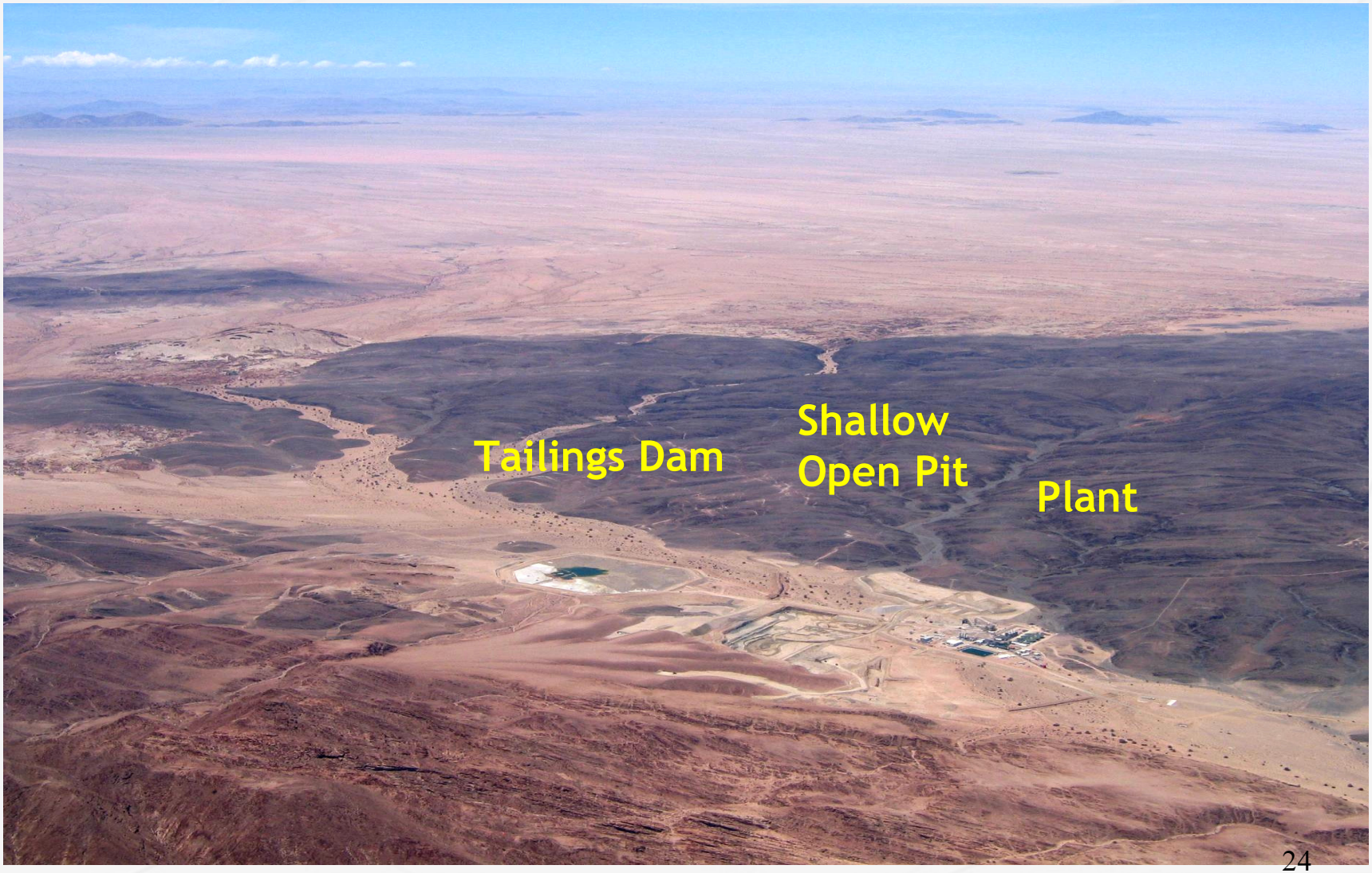
*1 Includes provision for Stage III requirements

Construction +/- complete & production ramp-up in progress

Stage II Expansion Flowsheet



Site Aerial View



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