



PALADIN RESOURCES LTD

A.C.N. 061 681 098

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eLodgement

To: The Company Announcements Officer **From:** John Borshoff

Co.: Australian Stock Exchange Limited **Pages:** 38

Date: 24 October 2003

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➤ **2003 Annual Report and Notice of Annual General Meeting**



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Ref: F4844

24 October 2003

The Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
20 Bridge St
SYDNEY NSW 2000

Dear Sir/Madam

2003 Annual Report and Notice of Annual General Meeting

Attached please find 2003 Annual Report together with Notice of Annual General Meeting as forwarded to shareholders today.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director



PALADIN
RESOURCES
LTD

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A N N U A L R E P O R T 2 0 0 3





This concise report has been derived from the full financial report for the year ended 30 June 2003. The full financial report and auditor's report will be sent to members on request, free of charge. Please call 08 9381 4366 and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at our website: www.paladinresources.com.au.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Paladin Resources Ltd and its controlled entities as the full financial report.

The financial report covers both Paladin Resources Ltd as an individual entity and the consolidated entity consisting of Paladin Resources Ltd and its controlled entities.

Paladin Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Paladin Resources Ltd
1st Floor, 245 Churchill Avenue
SUBIACO WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 10 and in the Directors' Report on pages 12 to 15.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company.

All press releases, financial statements and other information is available on our website www.paladinresources.com.au.

Front Cover: Langer Heinrich Uranium Project.



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PALADIN MOVING TOWARD PRODUCTION



Uranium price up 25% in 12 months, now at 5 year high (US\$12.20/lb)



Company owns Langer Heinrich Uranium Project – a world class uranium deposit



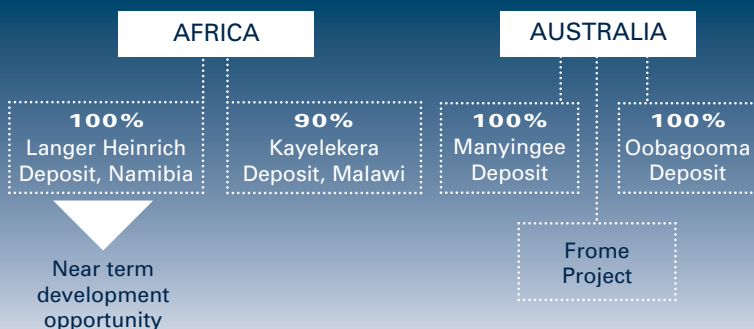
Bankable Feasibility Study planned for Langer Heinrich testing a 1,000tpa uranium operation
(equivalent to 88,000 oz gold) running over 10 years plus

MINERAL RESOURCE STRUCTURE

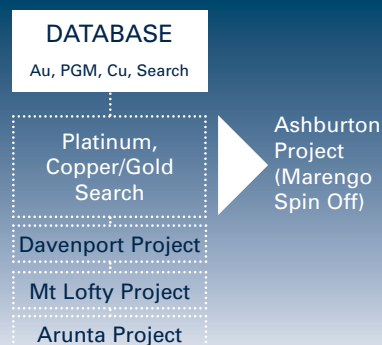
PALADIN RESOURCES LTD



URANIUM ACTIVITIES



NON-URANIUM ACTIVITIES





Dear Shareholder

This year has in many ways been an important watershed year for Paladin and one which has seen both consolidation and rationalisation.

Consolidation has occurred with focus on our exciting Langer Heinrich Uranium Project in Namibia which gave a positive Pre-Feasibility Study and efforts are now underway to secure funding for the 12 month Bankable Feasibility Study. The uranium price is nearing a 5 year high, having cracked the critical US\$10/lb U_3O_8 barrier early in the year, now at US\$12.20/lb and seemingly poised to go higher. The timing is well set for the next stage on development for the Langer Heinrich Project. Financial modelling at a conservative long term contract price for uranium of US\$14.00/lb U_3O_8 , a project producing 1,000t U_3O_8 over 10 years shows an NPV10% of US\$50M. To better understand the scope of the Langer Heinrich Deposit, it has the equivalent in mineable resources of 968,000 oz of gold, would produce the equivalent of 88,000 oz of gold per year and have a mine operating cost of US\$163/oz in equivalent gold terms. Several organisations are indicating interest in supporting the BFS funding and these are currently being pursued.

The other uranium projects of the Company, Kayelekera and Manyingee, will remain on hold while Langer Heinrich is being evaluated, although with improving uranium price interest may expand into the Kayelekera project earlier.

In terms of our non uranium activities, Marengo, the gold company which Paladin spun out, is making a second serious effort to list on the ASX. An updated prospectus is prepared incorporating an additional gold project from the prospective Laverton region and should assist greatly in the listing of this company. Also Paladin, through its database, has identified a gold resource in the Mt Lofty Ranges east of Adelaide. A resource of some 20,000ozs already exists and results

to date indicate these resources can be expanded to hopefully allow a small but profitable underground mining operation. Absolut Resources Corp, our joint venture partner, has indicated it will fund the next stage of the evaluation as part of its earn-in.

Most of you will have been aware of the shareholder dissent which occurred early this year and which unfortunately created an enormous distraction both to the Board and staff at a critical time in the Langer Heinrich pre-feasibility evaluation. The resolutions presented at the Extraordinary General Meeting to remove the Board were soundly defeated, however to accommodate renewed emphasis on the African projects and introduce new blood, Doug Dunnet and Gillian Swaby resigned as directors. We are pleased to have Leon Pretorius as the new director and believe his African and technical experience will be invaluable for the Langer Heinrich Project. I would like to again sincerely thank Doug and Gill for their dedicated contribution as directors since listing of the Company in 1994.

Paladin's interest in Coretel was successfully disposed of after Coretel went into voluntary administration. Unfortunately our original Coretel investment did not achieve the desired objectives due principally to the severe downturn in the telco sector. Coretel was merged with eSpan Solutions, in which Paladin can have a 30% equity interest through its \$800,000 convertible note. This note matures in 2006 accruing a 5% annual compounding interest. There is also a fully funded litigation against Coretel's equipment supplier, Nortel and Paladin will receive 30% of any damages claim found against that company. Considering many companies which divested into hi tech lost all value in their assets, we believe, under the circumstances, Paladin has done well to redeem part of the funds it invested in Coretel.

It is indeed pleasing to see general renewed investor interest in the resource sector. This has combined with the rising uranium price to improve Paladin's share price. If, as is expected, this important investment climate continues I feel sure Paladin has an exciting year ahead.

A handwritten signature in dark ink, appearing to read 'Rick Crabb'.

Rick Crabb
CHAIRMAN

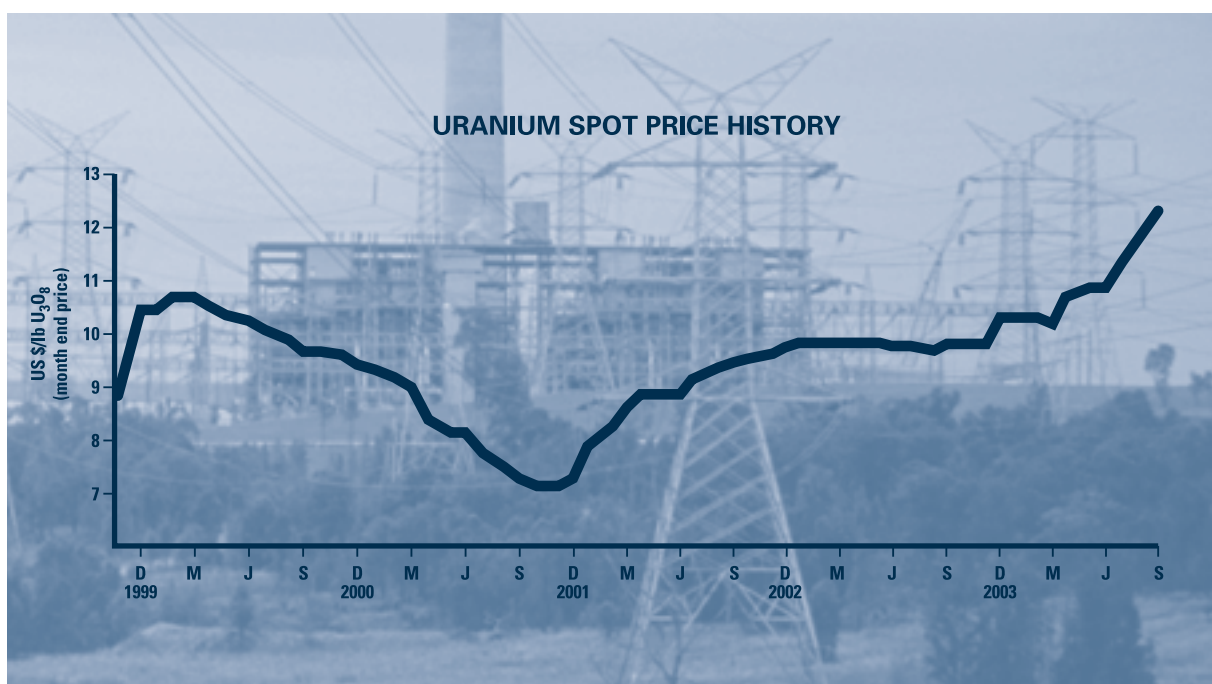
The price of uranium is rising steadily due to emerging positive supply/demand fundamentals. The increasing awareness of customers, suppliers and governments that nuclear energy must maintain a key role in the supply of electricity both on economic and environmental grounds is placing clear upward pressure on the uranium market. Some important developments reinforcing this trend are:-

- ◆ The recent temporary failure of a major uranium mine causing immediate increase in the uranium price reflecting a market fragility and vulnerability in terms of supply and the critical need to establish diversity in supply sources for the mid to long term.
- ◆ In the US, the Senate is considering a comprehensive energy bill which includes substantial support for nuclear energy. This includes funding support for the construction of a high temperature nuclear reactor for hydrogen production to advance the development of the hydrogen fuel cell technology and enable the US to maintain industrial supremacy. If implemented this technology would require massive input from sustainable energy sources namely nuclear power.
- ◆ In recognition of its very low environmental effects the Ontario Government (Canada) has extended tax concessions from renewables (hydro, wind) to now also include nuclear power, making this technology even more competitive.

Similar concessions are expected to eventually be provided to the nuclear industry at large to combat vital greenhouse gas emission issues giving added impetus for increased nuclear power utilisation.

- ◆ In the European Union (EU) an extensive EU-wide study on energy carried out in 2002 made it clear that nuclear energy which provides 35% of EU electricity is already an important means of reducing greenhouse emissions and is fundamental in the EU's ability to meet stipulated Kyoto targets. EU states are not expected to jeopardise the significant contribution that nuclear power provides in this regard.
- ◆ In Europe Switzerland, Finland and Sweden have strengthened their resolve to maintain and/or increase their dependency on nuclear power. Bulgaria, Czechoslovakia, Ukraine and Rumania are all moving forward to construct additional nuclear generating capacity.
- ◆ In Asia China, India, South Korea, Taiwan and Japan are maintaining their imperatives to increase dependency on nuclear power for generation of clean electricity.

With its quality advanced uranium projects, Paladin is well placed to benefit and advantage its shareholders from this improving uranium outlook.



Paladin has two key asset sets; a portfolio of quality uranium projects spearheaded by its Langer Heinrich Project and the potential of an extensive exploration database that has still to be fully exploited.

URANIUM

The objective of the Company is to develop into a southern African junior energy company centered on its Langer Heinrich Uranium Project in Namibia. A positive Pre-Feasibility Study completed by Paladin during the year confirmed the justification to take this project to a Bankable Feasibility Study ("BFS"). This is estimated to cost approximately A\$3M-A\$3.5M and take 12 months to complete. The Company is currently in discussions with its engineers (Fluor Daniel) to obtain the detailed scheduling and costing for the BFS and is discussing funding options for it with several interested parties.

Paladin's uranium portfolio also contains the Kayelekera, Manyingee and Oobagooma Projects and, whilst Langer Heinrich is the first choice, the others

offer development possibilities for the future. With uranium prices at a 5 year high (US\$12.20/lb September 2003), Paladin is one of few juniors globally that can offer attractive speculative possibilities for this commodity giving investors the possibility of strong upside.

In accumulating its uranium assets, consideration was always given by the Company to acquiring projects with the potential to be low cost operations and suitable for smaller companies to develop.

DATABASE

A further objective of the Company is to continue taking advantage of its extensive database and utilise third party funds for exploration (via joint venture farm-out). The Australian database continues to generate project possibilities. An example of this has been the Mt Lofty Joint Venture where a gold resource has been identified.

URANIUM PROJECT SUMMARIES

CRITERIA	LANGER HEINRICH	KAYELEKERA	MANYINGEE	OOBAGOOMA
Paladin equity	100%	90%	100%	100%
Location	Namibia, Southern Africa	Malawi, Southern Africa	West Pilbara, West Australia	West Kimberley, West Australia
Deposit Type	Calcrete	Sandstone	Sandstone	Sandstone
Resources tonnes U ₃ O ₈	11,000t U ₃ O ₈ @ 0.11% (additional potential available)	11,547t U ₃ O ₈ @ 0.15%	7,860t U ₃ O ₈ @ 0.12%	9,950t U ₃ O ₈ @ 0.14%
Mining Method	Conventional open pit	Conventional open pit	In-Situ Leach	In-Situ Leach
Previous Owners	Gencor Limited (South African Mining group) Acclaim (WA Company)	Central Electricity Generating Board (UK utility)	Cogema (French utility)	Cogema (French utility)
Past Expenditure	A\$20M	A\$9M	A\$16M	A\$5M
Activity/Status	1973-1980, 1999 to present - Active	1982 - 1990 On hold	1979-1988 On hold	1982-1985 On hold
Project Significance	Large resource, good infrastructure with good potential for development	Revised mining concept positive indicating potential for development	One of only three Australian advanced ISL projects	Large resource potential
Timeframe	◆ 1 year BFS ◆ 1 year construction ◆ 10 year (at least) mine life	◆ 18 months BFS ◆ 1 year construction ◆ 10 year mine life	◆ 3 year staged feasibility study ◆ 1 year construction ◆ 10 year mine life	◆ 2 year reserve / resource drilling ◆ 3 year feasibility study

LANGER HEINRICH URANIUM PROJECT

In August 2002 Paladin announced the purchase of the Langer Heinrich Uranium Deposit located in Namibia, Southern Africa, from Aztec Resources Ltd ("Aztec" - formerly Acclaim Uranium NL). The purchase consideration was \$15,000 together with a very soft production royalty of 12 cents per kilogram of yellowcake product sold and delivered to a buyer. Aztec sold this Project after the company changed corporate management and direction to pursue other interests.

The Langer Heinrich Uranium Project is 100% owned by Paladin through its wholly owned Namibian subsidiary (Langer Heinrich Uranium (Pty) Ltd). The Langer Heinrich deposit was discovered in 1973 by Gencor Limited, a major South African Mining House (now part of BHP Billiton). This is a calcrete type deposit containing a global resource of 29,900t U_3O_8 at a grade of 0.06% contained in 7 discrete mineralised zones along a 15km length within an extensive paleodrainage system. The deposit is located in the Namib Desert, 80km east of the major seaport of Walvis Bay.

The Paladin Directors decided to acquire the Langer Heinrich Project for the following principal reasons: -

- ◆ The improving market outlook worldwide for the use of nuclear energy for production of electricity.
- ◆ Uranium Oxide spot price continues to improve (up 25% in 12 months and now US\$12.20 per pound). Market analysts are predicting substantial increases in the price of this commodity in the mid-term.

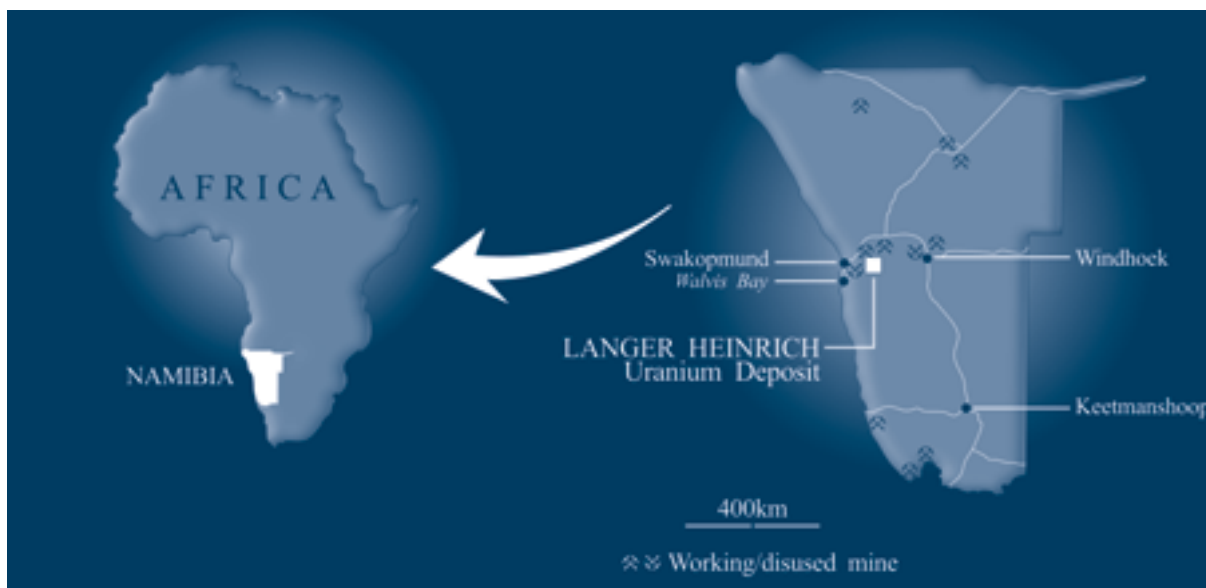
- ◆ Langer Heinrich has the capacity to be a very low cost uranium producer.

In March 2003 Paladin completed the Pre-Feasibility Study, the results showing clearly that the project should be taken to final feasibility determination.

The Mineable Resource at the 344ppm U_3O_8 cut off is estimated at 10,114,000t of ore grading 0.11% U_3O_8 containing 11,155t U_3O_8 and this resource is the basis of the project Pre-Feasibility assessment and financial modelling. Paladin has estimated a geological resource for the deposit of 50Mt at 0.06% containing 29,900t U_3O_8 at a cut off of 200ppm U_3O_8 . Opportunity exists for additional mineralisation to be found within the existing tenement as indicated by open-ended drilling.

Current analysis indicates the project is robust and able to support a 10 year mine life producing 1,000tpa uranium oxide at a low operating cost. The cost of the proposed BFS is estimated to be in the vicinity of A\$3M and is expected to take 12 months to complete. Fluor has been selected as the engineers to manage the BFS.

With the improving uranium price and the feature that a premium in the vicinity of 20%-25% can typically be negotiated above the spot price for U_3O_8 sold under long term sales contracts, it is anticipated that long term sale contracts in the vicinity of US\$13.00-US\$15.00/lb U_3O_8 will be possible for 2003/4 and beyond when the Project starts production. Financial modelling shows that with a base annual production of 1,000t U_3O_8 using an example sale price of US\$14.00/lb U_3O_8 , midway in this range, the Project, over its 10 year mine life, is capable of producing strong returns as





Test mining trench and pit (Gencor 1978). In background 21 dumps of graded ore for various lithological types.

shown by the following key performance indicator table:-

Key Project Performance Indicators	US\$
Total Operating Surplus	\$167M
Cash Positive	Year 3
Project NPV (10%)	\$50M
Project IRR	35%
Debt/Equity Ratio	0.60
Operating Costs	US\$/t
Mining	\$4.47
Processing	\$6.81
Admin	\$3.00
Total OPEX	\$14.28/t or \$6.54/lb U₃O₈
Capital Costs	US\$M
Equipment	\$20M
Facilities & Infrastructure	\$6.2M
Project Development	\$7.3M
Contingencies	\$3.4M
Total CAPEX	\$36.9M

Estimated production costs of US\$6.54/lb U₃O₈ place the Project favourably in the lower quartile for cost of production. At this stage of determination, capital costs for establishment of the operation are estimated to be US\$37M.

The results to date show that Paladin has acquired a premier project in Langer Heinrich, capable of taking the Company to its next stage of development.

Detailed scheduling and costing of the BFS has begun with Fluor. Negotiations are also underway with several funding agencies who are offering the possibility of assistance in funding of the BFS. One of these funding groups has indicated willingness to fund in the order of US\$400,000 by way of a non refundable grant. Fluor, in conjunction with Paladin, is now preparing a formal application to secure this grant.

In addition Paladin has received early indication that a major Institution is willing to fund the balance of the BFS less Paladin's direct costs. There are certain criteria that Paladin will need to meet to enable this to occur. Nonetheless this is regarded as a major breakthrough and discussions are underway to define the required parameters that will ensure a firm commitment is forthcoming. It is envisaged that this Institution will then also take up equity in the Project assuming a positive BFS outcome.

The development schedule for the Langer Heinrich Project is envisaged as follows:-

Task	Year									
	2004				2005				2006	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
BFS										
EIS										
Reserves										
Sampling										
Testwork										
Engineering										
Financial Analysis										
Project Commitment										
Construction										
Implementation										

KAYELEKERA PROJECT

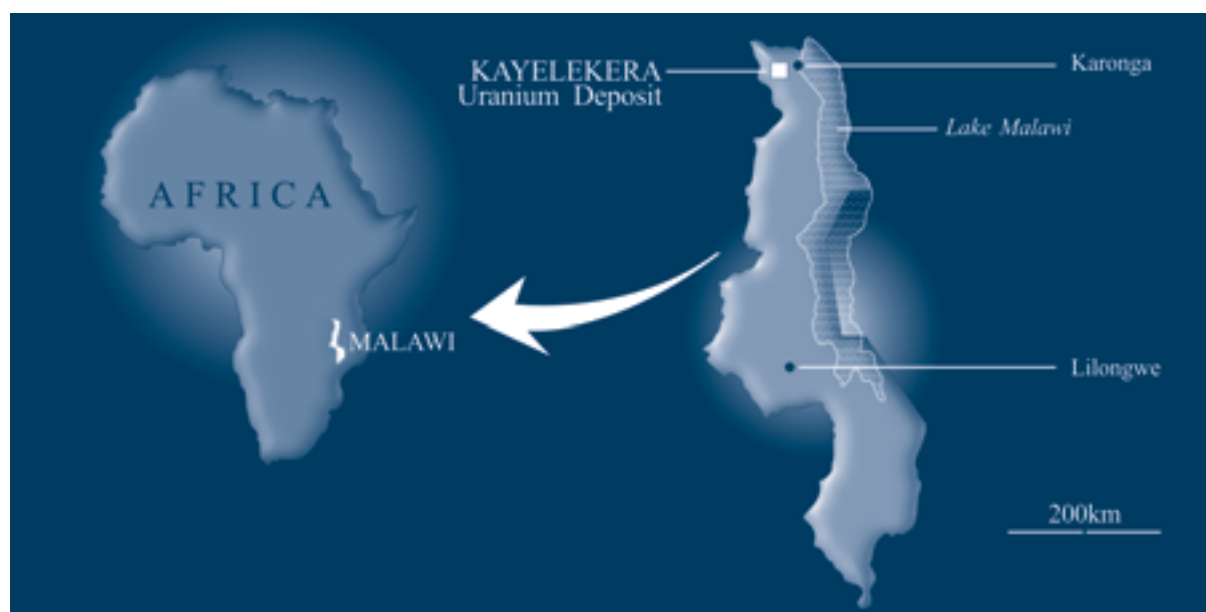
The Kayelekera Uranium Project is located in the northern part of Malawi in Southern Africa, 8km south of the main road that connects the townships of Karonga and Chitipa. It is 40km to the west of the provincial town of Karonga. Exclusive Prospecting Licence "EPL 070" covers the Kayelekera deposit.

A final feasibility study is required on this Project before decision to develop can be made and this work will be largely based on, and assisted by, the extensive feasibility studies carried out by its previous owners in the period 1982-1990.

The Kayelekera Uranium Project is owned 90% by Paladin through its wholly owned Malawi subsidiary

(Paladin Africa Ltd). This Project has had A\$9M spent by previous owners, culminating in completion of a final feasibility study in 1990 which showed the project to be uneconomic on the parameters then utilised. Modelling of a new mining concept by Paladin indicates that the Project can be optimised with a positive financial outcome. Approximately US\$2.7M is required for a new updated bankable feasibility study. The Project is currently on hold while the Langer Heinrich Project is being advanced.

The Kayelekera Project presents an ideal platform for initiation of a much needed modern mining industry in Malawi and may therefore be viewed sympathetically by international funding organisations.





MANYINGEE PROJECT

The Manyingee Uranium Project is located in the northwest of Western Australia, 85km inland from the coastal township of Onslow. Good access to the site exist, either via the North West Coastal Highway (39km) or the Barradale-Onslow road 22km to the west. The Tubridgi Natural Gas Pipeline passes 500 metres east of the licence area. The property is protected by 3 Mining Leases totalling 13km².

The Project contains an Indicated and Inferred Resource of 6.4Mt of ore at a grade of 0.12% U₃O₈ containing 7,680t of U₃O₈ in permeable sandstone and previous trial test work indicates the deposit is amenable to In-situ Leach Mining (ISL).

The Project is currently mothballed and no field work was carried out on the Project during the year, with the Southern African projects being given priority for development.

OOBAGOOMA PROJECT

The Oobagooma Project is located 75km north east of Derby in the Kimberley Region of Western Australia on freehold land owned by the Commonwealth and used by the military. The area is covered by two EL applications covering 392km². The Project was explored by Afmeco from 1983 to 1986 during which time extensive zones of uranium mineralisation were discovered. Afmeco calculated total geological resources of 8.2Mt of ore at a grade of 0.12% U₃O₈ containing 9,950t U₃O₈ using geostatistical methods employing a 0.03% U₃O₈ cut off.

No work was carried out on this Project during the year. The main exploration effort, once the tenements have been granted, will be to confirm continuity of the uranium mineralisation by infill drilling concentrating on mineralised redox fronts as re-interpreted and further develop the reserves for consideration of a future ISL mining operation.

QUASAR-PALADIN JOINT VENTURE

Paladin has a joint venture in South Australia on EL3001 and EL3078 with Quasar Resources Pty Ltd, a wholly owned subsidiary of Heathgate Resources Ltd ("Heathgate"), owner of the Beverley ISL uranium mining operation in the Frome Basin which reached full production in 2001. Heathgate Resources is an Australian affiliate of General Atomics of the USA.

The two tenements cover 1,500km² and are located immediately north of the Beverley Mine tenements. Heathgate can earn an 80% interest in these properties with Paladin retaining a free carried interest of 20% and 15% respectively until completion of a bankable feasibility study and a decision to mine.

Heathgate carried out an electromagnetic airborne TEMPEST survey over the properties to identify prospective palaeochannels. The data delineated numerous targets and rotary mud drilling has commenced to test these prospective zones.

Ground magnetic, gravity surveys, geological mapping, soil and rock chip sampling were also conducted over an area of approximately 6km² in the Woolatchi Creek area of EL3001 at a location NW from Moolawatana

homestead. An elongated magnetic anomaly approximately 1800m by 300m was located along with a number of small intense bullseye features in part coincident with a TEMPEST anomaly located by the regional airborne survey previously carried out. A number of small residual gravity features are also present. This may represent an iron oxide/copper/gold prospect located within an eastern extension of the Mt Baddage Block containing Mesoproterozoic granitic, volcanic and metasedimentary rocks beneath a thin Cretaceous sedimentary cover. Modelling of the magnetic data has identified a number of steeply dipping magnetic horizons warranting further assessment. Drill testing is planned following receipt of soil and rock chip sampling results and completion of heritage surveys.

NON URANIUM ACTIVITIES

MT LOFTY JOINT VENTURE PROJECT

The first pass exploration work on the Mt Lofty Joint Venture tenements with Paladin as operator has been undertaken, with Absolut Resources Corp. ("Absolut") completing its minimum expenditure of \$60,000 to earn a 10% interest in the Project. Absolut can earn a total of 45% on expenditure of a further \$345,000 on EL2863. The investigations to date involving ground magnetic and soil geochemical surveys, systematic rock chip sampling, surface mapping and evaluation of old mine data have isolated high grade gold mineralisation in the Stockyard Gully area.

The joint venture partners are encouraged with the results of the first pass investigations. Paladin, has proposed further exploration once the small exemption area within the prospective zone has been lifted by the Mines Department and access clearance has been achieved to carry out drilling in the Forest Reserve area. Absolute has agreed to fund the next stage of evaluation subject to the approval of its placement with the TSX Venture Exchange and continue earning further equity in the joint venture. The exploration work which is planned will involve RC drilling targeted to test both depth extension and lateral continuity of the identified mineralisation.

OTHER INVESTMENTS

CORETEL PTY LTD

The Deed of Company Arrangement (DOCA) for Coretel entered into by the Avanti Group International Pty Ltd was finalised 22 November 2002.

Coretel has been successfully merged with e-Span Solutions Pty Ltd (e-Span). This Telco business is operating from the existing Coretel premises at Belmont.

Paladin retains a convertible note of \$800,000 with a term of 4 years. The convertible note will accrue interest at a rate of 5% per annum payable at maturity. On the present corporate structure Paladin has the right to a 30% equity in this new merged group via its convertible note facility and this conversion is at Paladin's discretion. Pursuant to Coretel's DOCA, Paladin will also receive 30% of the net proceeds from the damages claim which is currently underway against Nortel (equipment supplier to Coretel). This action is fully funded by an independent insurance litigator.

COMMERCIAL PROPERTY

Negotiations are currently underway for the sale of this building.

Additionally Etron has the opportunity of receiving a further \$40,000 from one of the tower lessees to be paid on completion of construction of their facility on the property.

MARENGO MINING LIMITED

As reported last year, Paladin spun off this new gold exploration company as a consequence of its database with specific focus on the prospective Ashburton region of Western Australia and a view to list this on the Australian Stock Exchange (ASX) mid 2002. Unfortunately the ensuing downturn in equity markets has to date not afforded Marengo this opportunity.

With renewed market interest in the resources sector, the Directors of Marengo have advised that consideration is again being given to seek a listing on the ASX. This is scheduled to occur during the 4th quarter 2003. Marengo's 100% ownership of a significant portion of the Ashburton Structural Corridor, gives it an excellent opportunity to discover Carlin style gold deposits in a region which already hosts one very successful gold mining operation and is the focus for aggressive exploration programmes by major resource companies. Also the recent acquisition by Marengo of a new project in the Laverton area of WA gives the company prime exploration ground in a proven gold producing region.

Marengo currently has only 13.6 million shares on issue and with cash at bank of some \$300,000 is well positioned to take advantage of a market upturn to gain ASX listing.

CORPORATE GOVERNANCE

The Board is responsible for the overall Corporate Governance of the Group ("the Group") including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has also established a framework for the management of the Group including setting levels of remuneration for Executive Directors, Managers and senior personnel, an overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews operational and financial performance and reviews and approves detailed budgets and investment opportunities. Being a small company at present, the Board works closely with executive management to identify and manage operational, financial and legislative risk. Whilst the Corporate Governance policies and procedures have been in place since the incorporation of the Company, they were formally adopted by the Board in May 1996.

AUDIT COMMITTEE

The Company is not of a size which justifies having a separate Audit Committee, however, matters typically dealt with by such a committee are dealt with by the full Board.

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- ◆ The Board should comprise three Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate materialises.
- ◆ The Chairman of the Board should be a Non-Executive Director.
- ◆ The Board should comprise Directors with a broad range of expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The Company does not have a formal Nomination Committee.

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to seek independent professional advice at the Group's expense. However, prior approval of the Chairman is required, which may not be unreasonably withheld.

REMUNERATION

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives. The Board obtains independent advice on the appropriateness of remuneration packages.

ETHICAL STANDARDS

All Directors, managers and employees are to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Paladin Resources Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2003.

DIRECTORS

The Directors in office at the date of this report are:

Mr Rick W. Crabb (Chairman)

B. Juris (Hons), LLB, MBA

Mr Crabb is a partner with the legal practice, Blakiston and Crabb and a Director of the investment bank, Chatsworth Stirling Pty Ltd. He holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He has practised as a solicitor since 1980 and was previously a partner with a major law firm. He specialises in mining, corporate and commercial law. Mr Crabb is also a director of Menzies Court Holdings Limited, Ashburton Minerals NL, Alcaston Mining NL, ST Synergy Ltd, Thundelarra Exploration Ltd and Chatsworth Stirling Pty Ltd.

Mr John Borshoff (Managing Director)

B.Sc. F.AusIMM

Mr Borshoff is a geologist who has been involved in the Australian exploration and mining industry for 26 years. Mr Borshoff worked for International Nickel and Canadian Superior Mining before joining a German mining group, Uranerz from 1976 to 1991. He became Chief Geologist/Exploration Manager during the period 1981-1986 and served as its chief executive from 1987 to mid 1991 when the German parent of Uranerz made the decision to close its Australian operations. Uranerz primary focus was for the search and development of uranium projects with the company operating extensively throughout Australia, North America and Africa.

Mr Borshoff has extensive experience in uranium, gold and base metal exploration, company management and administration.

Dr Leon Pretorius (Director - Non-Executive)

BSc(Hons), MSc, PhD, FAusIMM (CP), MAIG, PrSciNat

Dr Pretorius is a geochemist with 30 years experience working both in Australia and Africa. He has extensive experience in uranium, gold, base metal and industrial mineral exploration and has a sound knowledge of opencast mining operations in Sub-Saharan Africa. From 1984 to 1990 Dr Pretorius was Managing Director of Australian publicly listed company Keela-Wee Exploration Ltd and since has been actively involved in the resource sector both in Australia and Southern Africa.

Dr Pretorius was appointed a director on 27 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the economic entity constituted by Paladin Resources Ltd and the entities it controlled during the financial year was mineral exploration.

RESULTS OF OPERATIONS

The economic entity's policy is to write off acquisition and exploration costs associated with abandoned or non-commercial areas and to this extent an amount of \$41,272 (2002: \$96,079) was written off. Expenditure totalling \$3,166,276 (2002: \$2,808,937) has been carried forward on other areas where operations are continuing. The consolidated results are as follows:

	2003 \$	2002 \$
Operating loss after income tax	571,633	2,226,113

DIRECTORS' REPORT

DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

REVIEW OF OPERATIONS

A detailed review of the economic entity's operations is set out on pages 5 to 10 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the economic entity during the financial year not otherwise dealt with in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity, the results of these operations or the state of affairs of the economic entity in subsequent financial years with the exception of those matters disclosed in Note 5 of the financial statements.

ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to significant environmental regulation in respect to its exploration

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company reviewed the Company's projects during the year and are not aware of any breach of environmental legislation for the financial year under review.

LIKELY DEVELOPMENTS

Likely developments in the operations of the economic entity constituted by Paladin Resources Ltd and the entities it controls from time to time are set out in the attached Review of Operations.

	NUMBER OF OPTIONS	
	2003	2002
OPTIONS OVER UNISSUED CAPITAL		
<i>Unlisted Options</i>		
(i) Exercisable at 15 cents, on or before 30 November 2004		
Balance at 1 July 2002	4,700,000	-
Issued during year	-	4,700,000
Balance at date of this report	4,700,000	4,700,000
<i>Listed Options</i>		
(ii) Exercisable at 10 cents, on or before 21 January 2004		
Balance at 1 July 2002	62,250,000	-
Issued during year	750,000	62,250,000
Balance at date of this report	63,000,000	62,250,000
(iii) Exercisable at 15 cents, on or before 31 May 2003		
Balance 1 July 2002	52,303,071	52,203,071
Issued during year	-	100,000
Less expired during year	(52,303,071)	-
Balance at date of this report	-	52,303,071

DIRECTORS' REPORT

DIRECTORS' INTERESTS

2003	Fully Paid Shares	Options*	Options**
R W Crabb	5,964,746	566,940	1,000,000
J Borshoff	12,458,394	1,778,345	1,500,000
L Pretorius	8,000,000	750,000	-

The particulars of Directors' interests in shares and options are as at the date of this report.

* Listed and exercisable at 10 cents on or before 21 January 2004

** Unlisted and exercisable at 15 cents on or before 30 November 2004

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives and is not performance linked.

Name	Directors' Fees		Consulting Fees		Options		Total	
	\$		\$		\$		\$	
	2003	2002	2003	2002	2003	2002	2003	2002
Non-executive Directors of Paladin Resources Ltd								
R Crabb	12,000	15,000	28,576	-	-	6,000	40,576	21,000
D Dunnet	30,000	20,000	-	11,097	-	6,000	30,000	37,097
D R Kennedy	4,000	-	-	-	-	-	4,000	-
L Pretorius+	3,000	-	20,000	-	1,500	-	24,500	-
Executive Directors of Paladin Resources Ltd								
J Borshoff	12,000	15,000	153,500	144,375	-	9,000	165,500	168,375
G Swaby	7,000	15,000	52,000	70,800	-	7,200	59,000	93,000

D Dunnet resigned 10 December 2002

D R Kennedy was appointed 10 December 2002 and resigned on 27 March 2003

L Pretorius was appointed on 27 March 2003

G Swaby resigned on 1 February 2003

+The \$20,000 consulting fees was paid through the issue of 1,000,000 fully paid shares at \$0.02 each and 750,000 options at \$0.002 each in the Company.

There are no other executives in the Company.

The amounts disclosed above for remuneration relating to options are the assessed fair values of options at the date they were granted during the year ended 30 June 2003. Fair values have been assessed using the Black Scholes option pricing models. This value has not been included in the statement of Financial Performance.

As at 30 June 2003, a total of \$427,606 due to directors, former directors and their companies was included in trade creditors:

Agreement was reached between the Company (represented by the independent Director, Dr Leon Pretorius) and other Directors, former Directors and associates of Directors of Paladin in relation to the satisfaction of debts totalling \$402,836. It was agreed repayment would only be made out of the balance reached by Paladin from sale by Etron Properties Pty Ltd of the property at 5-7 Belmont Avenue, Belmont. It is further understood that if Paladin does not receive sufficient monies to satisfy these debts then the balance of those debts shall be forgiven and released in full.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2003 and the number of meetings attended by each Director.

Number of meetings held: 12

Number of meetings attended by:		Number of meetings entitled to attend:
R W Crabb	12	12
J Borshoff	12	12
L Pretorius	2	2
G Swaby	8	8
D Dunnet	6	6
D R Kennedy	3	4

INSURANCE OF OFFICERS

During the financial year, the Company has paid premiums to insure each of the following persons against certain liabilities arising out of their conduct while acting in the capacity of officer of the Company.

R Crabb

J Borshoff

L Pretorius

G Swaby

D Dunnet

D R Kennedy

Under the terms of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

DATED at Perth this 30th day of September 2003

Signed in accordance with a resolution of Directors.



J Borshoff
DIRECTOR

C O N S O L I D A T E D S T A T E M E N T O F
F I N A N C I A L P E R F O R M A N C E
for the year ended 30 June 2003

	Notes	CONSOLIDATED 2003 \$	2002 \$
Revenue from ordinary activities		148,905	258,724
Exploration costs written off		(41,272)	(96,079)
Borrowing costs		(59,503)	(51,585)
General and administration		(556,971)	(489,268)
Bad debts written off		(81,800)	-
Write down of investments		-	(1,445,000)
Write back of investments		256,000	-
Share of net loss of associate accounted for using the equity method		(236,992)	(402,905)
Loss from ordinary activities before income tax		571,633	2,226,113
Income tax expense		-	-
Total changes in equity other than those resulting from transactions with owners as owners		571,633	2,226,113
Basic and diluted earnings per share (cents)	4	(0.27)	(1.05)

The above statement of financial performance should be read in conjunction with the accompanying notes.

D I S C U S S I O N & A N A L Y S I S O F C O N S O L I D A T E D
S T A T E M E N T O F F I N A N C I A L P E R F O R M A N C E
for the year ended 30 June 2003

In August 2002 the Company purchased the Langer Heinrich Uranium Deposit located in Namibia, southern Africa on the back of an improving market outlook worldwide for the use of nuclear energy for production of electricity and an increasing uranium price. At the time of purchase, the uranium price was US\$9.75/lb U₃O₈ having now reached US\$12.20 at the date of signing these accounts. In March 2003 Paladin completed the Pre-Feasibility Study, with the results showing that the Project should be taken to final feasibility determination. Detailed scheduling and costing of the Bankable Feasibility has begun with Fluor and negotiations are underway with several funding agencies who are offering the possibility of assistance in funding the Bankable Feasibility Study.

Evaluation of the proprietary database produced the Mt Lofty Project which became the subject of a joint venture with Absolut Resources Corp. Absolut has earned a 10% interest by expenditure of \$60,000 and can earn a total of 45% by expending a further \$345,000.

In relation to the investment in Coretel Pty Ltd, the Deed of Company Arrangement was finalised in November 2002. Negotiations with the purchaser of that company resulted in Paladin retaining a convertible note of \$800,000 with a 4 year term, which accrues interest at 5% per annum. As a result of this, \$256,000 has been written back against the investment to bring the book value to \$800,000.

The commercial premises produced rental revenue totalling \$122,674 with associated borrowing costs of \$59,503. As a result of the Deed of Company Arrangement for Coretel, an amount of \$81,800 was written off as bad debts relating to the prior year.

As a result of equity accounting for ST Synergy Ltd, Paladin's consolidated loss included \$200,000 in respect of amortised goodwill and \$36,992 as the share of the operating loss of that company.

C O N S O L I D A T E D S T A T E M E N T O F
F I N A N C I A L P O S I T I O N

a s a t 3 0 J u n e 2 0 0 3

	CONSOLIDATED	
	2003	2002
	\$	\$
CURRENT ASSETS		
Cash	121,829	286,890
Receivables	171,279	210,158
Property Plant & Equipment	1,132,955	-
TOTAL CURRENT ASSETS	1,426,063	497,048
NON CURRENT ASSETS		
Receivables	24,438	-
Investments in associate	-	236,991
Other financial assets	800,000	544,000
Property, plant & equipment	318,871	1,566,997
Other	3,166,276	2,808,937
TOTAL NON CURRENT ASSETS	4,309,585	5,156,925
TOTAL ASSETS	5,735,648	5,653,973
CURRENT LIABILITIES		
Accounts payable	471,188	236,517
Provisions	37,097	32,610
Interest bearing liabilities	731,943	-
Other	50,000	-
TOTAL CURRENT LIABILITIES	1,290,228	269,127
NON CURRENT LIABILITIES		
Interest bearing liabilities	-	731,787
Other	20,000	20,000
TOTAL NON CURRENT LIABILITIES	20,000	751,787
TOTAL LIABILITIES	1,310,228	1,020,914
NET ASSETS	4,425,420	4,633,059
PARENT ENTITY INTEREST EQUITY		
Contributed equity	19,470,094	19,099,393
Reserves	174,463	181,170
Accumulated losses	(15,219,137)	(14,647,504)
TOTAL EQUITY	4,425,420	4,633,059

The above statement of financial position should be read in conjunction with the accompanying notes.

D I S C U S S I O N & A N A L Y S I S O F C O N S O L I D A T E D
S T A T E M E N T O F F I N A N C I A L P O S I T I O N
a s a t 3 0 J u n e 2 0 0 3

ASSETS

Current assets increased by \$929,015, due in the main part to the reclassification of the commercial property from non current to current assets, reflecting the fact that negotiations are currently underway for its sale. Offsetting this, non current assets reduced by \$847,340 as a result of the property reclassification, the write-back of the investment held in Coretel (increase of \$256,000) and the reduction in value of ST Synergy Ltd as a result of equity accounting (decrease of \$236,991).

Exploration efforts centred mainly on the Langer Heinrich Uranium Project, resulted in a net increase of capitalised exploration expenditure of \$357,339

LIABILITIES

The reclassification of the commercial property as detailed above resulted in a corresponding reclassification of the attaching mortgage from non current to current liabilities. Overall, total liabilities increased by \$289,314 largely reflecting the remuneration remaining unpaid to Directors. Details of this are set out in the accompanying Directors' Report.

EQUITY

Contributed equity increased by \$370,701 as a result of share issues totalling \$401,950 with offsetting transaction costs of \$31,249.

CONSOLIDATED STATEMENT OF

CASH FLOWS

for the year ended 30 June 2003

	CONSOLIDATED	
	2003	2002
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(346,710)	(521,486)
Interest received	1,793	6,275
Interest paid	(59,503)	(51,585)
Rental income	122,674	82,833
Net cash outflow from operating activities	(281,746)	(483,963)
Cash flows from investing activities		
Payments for property, plant and equipment	(235)	(19,805)
Exploration and evaluation expenditure	(256,525)	(299,537)
Payments for investments	-	(386,422)
Sale proceeds on investments	-	42,066
Payment for controlled entities net of cash acquired	(4,649)	-
Net cash outflow from investing activities	(261,409)	(663,698)
Cash flows from financing activities		
Share placement	366,050	867,650
Fundraising costs	(37,956)	(153,078)
Repayment of borrowings	-	(3,305)
Mortgage funding	-	146,443
Loan funding	50,000	-
Net cash inflow from financing activities	378,094	857,710
Net decrease in cash held	(165,061)	(289,951)
Cash at the beginning of the financial year	286,890	576,841
Cash at the end of the financial year	121,829	286,890

DISCUSSION & ANALYSIS OF CONSOLIDATED

STATEMENT OF CASH FLOWS

for the year ended 30 June 2003

CASH FLOWS FROM OPERATING ACTIVITIES

The net cash outflow decreased to \$281,746 reflecting the increased creditor position at year end.

INVESTING ACTIVITIES

The outflow reduced significantly from \$663,698 to \$261,409 reflecting the payments made in the prior year in relation to the investment in Coretel Pty Ltd.

FINANCING ACTIVITIES

Fundraising from share issues accounted for the majority of cash inflows, together with loan funding of \$50,000.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**
for the year ended 30 June 2003

This concise financial report relates to the consolidated entity consisting of Paladin Resources Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2003. The accounting policies adopted are consistent with those of the previous year.

1. BASIS OF ACCOUNTING

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and consolidated entity's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund its and the consolidated entity's operations for the twelve month period from the date of this financial report. Such additional funding, as occurred during the year ended 30 June 2003 and has occurred subsequent to balance date as discussed in Note 5, can be derived from either one or a combination of the following:

- ◆ The Belmont commercial property is currently under negotiation for sale; the sale of which should release additional working capital after repayment of debts;
- ◆ Marengo Mining Pty Ltd is expected to list on the ASX in the December 2003 quarter, crystallizing reimbursement payments to Paladin of \$132,000;
- ◆ Absolut Resources will fund 100% of the exploration on the Mt Lofty Joint Venture during earn-in and this will partially offset Paladin operating costs;
- ◆ The strategic investment relationship entered into with the Contiguous Millennium Fund, a global resource investment fund, provides the opportunity to access necessary funding for ongoing working capital. In addition, the Company is currently in discussion with a number of parties in relation to funding of the Langer Heinrich Bankable Feasibility Study; and
- ◆ The placement of securities under ASX Listing Rule 7.1 or an excluded offer pursuant to the Corporations Act 2001.

In consideration of the foregoing factors, the Directors believe it is appropriate to adopt the going concern basis of accounting in the preparation of this concise financial report.

There were no changes in accounting policies for the year ended 30 June 2003.

2. SEGMENT INFORMATION

The consolidated entity operates in the following segments:-

Resources

Strong resource focus on uranium together with a proprietary database covering gold, copper and platinum.

Software

23% investment in ST Synergy Ltd, a Knowledge Management software company listed on ASX.

Telecommunications

Convertible notes totalling \$800,000 with a 4 year term, accruing interest at 5% per annum. These arise from the Company's original investment in Coretel Pty Ltd, a niche telecommunications company.

Property

Commercial premises located in Belmont, Perth, Western Australia.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**
for the year ended 30 June 2003

2. SEGMENT INFORMATION CONTINUED

Industry Segments 2003	Resources \$	Software \$	Telecommunications \$	Property \$	Consolidated \$
Other revenue	25,857	-	-	123,048	148,905
Total segment revenue	25,857	-	-	123,048	148,905
Loss from ordinary activities before income tax expense	(554,663)	(236,992)	256,000	(35,978)	(571,633)
Income tax expense	-	-	-	-	-
Loss from ordinary activities after income tax expense	(298,663)	(236,992)	256,000	(35,978)	(571,633)
Total assets	3,772,267	-	800,000	1,163,381	5,735,648
Segment liabilities	151,047	-	-	731,943	882,990
Unallocated liabilities					427,238
Total liabilities					1,310,228
Acquisitions of property, plant and equipment, and other non-current segment assets	398,846	-	-	-	398,846
Depreciation and amortisation expense	96,693	-	-	18,713	115,406
Other non-cash expenses	-	-	(256,000)	81,800	(174,200)
Industry Segments 2002					
Other revenue	48,391	-	-	114,333	162,724
Unallocated revenue					96,000
Total segment revenue					258,724
Profit/(loss) from ordinary activities before income tax expense	(411,254)	(402,905)	(1,445,000)	33,046	(2,226,113)
Income tax expense	-	-	-	-	-
Loss from ordinary activities after income tax expense	(411,254)	(402,905)	(1,445,000)	33,046	(2,226,113)
Total assets	3,583,707	236,991	544,000	1,289,275	5,653,973
Segment liabilities	262,941	-	-	-	262,941
Unallocated liabilities					757,973
Total liabilities					1,020,914
Investment in associate	-	236,991	-	-	236,991
Acquisitions of property, plant and equipment, and other non-current segment assets	392,837	-	-	15,056	407,893
Depreciation and amortisation expense	102,730	-	-	11,903	114,633
Other non-cash expenses	23,957	-	1,445,000	-	1,468,957

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**
for the year ended 30 June 2003

2. SEGMENT INFORMATION CONTINUED

Geographical Segments

	Segment revenues		Segment assets		Acquisitions of property, plant and equipment, and other non-current segment assets	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Australia	148,905	258,724	4,597,412	4,856,707	17,042	336,314
Africa	-	-	1,138,236	797,266	381,804	71,579
	148,905	258,724	5,735,648	5,653,973	398,846	407,893

3. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

4. EARNINGS PER SHARE

	CONSOLIDATED	
	2003 (cents)	2002 (cents)
(a) Basic and diluted Loss Per Share	(0.27)	(1.05)
	\$	\$
Weighted average number of ordinary shares on issue during the year used as the denominator in calculating basic earnings per share	208,280,686	211,336,743
Earnings used in calculating diluted and basic earnings per share	(571,633)	(2,226,113)

(b) Diluted Earnings Per Share

Diluted earnings per share is the same as basic earnings per share as there are no potential ordinary shares that are dilutive.

5. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity in subsequent financial years with the exception of:-

Issue of Shares and Options

On 12 August 2003, the Company issued 5,000,000 fully paid shares at 1 cent per share to Contiguous Millennium Fund together with the following unlisted options to provide additional working capital:

Number of Options	Exercise Price	Expiry Date
4,500,000	1.1 cents	31 March 2004
4,200,000	1.2 cents	31 December 2004
3,800,000	1.3 cents	30 November 2005

In addition, on 4 September 2003, 3,000,000 fully paid shares at 1 cent per share were issued to Dr L Pretorius, a director, in lieu of consulting services.

6. SALES REVENUE

There was no sales revenue during the year (2002: nil)

7. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the Company. A copy may be requested by calling (08) 9381 4366.

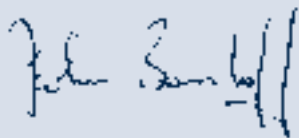
DIRECTORS' DECLARATION

The directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2003 as set out on pages 16 to 22 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2003.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which as indicated in Note 7, is available on request.

This declaration is made in accordance with a resolution of the directors.



John Borshoff
DIRECTOR

Perth
30th September 2003

I N D E P E N D E N T A U D I T R E P O R T
T O T H E M E M B E R S O F P A L A D I N R E S O U R C E S L T D

SCOPE

We have audited the concise financial report of Paladin Resources Ltd (the Company) for the financial year ended 30 June 2003 as set out on pages 16 to 23, in order to express an opinion on it to the members of the Company. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the company and its controlled entities for the year ended 30 June 2003. Our audit report on the full financial report was signed on 30 September 2003 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 : Concise Financial Reports, issued in Australia.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the concise financial report of the Company and its controlled entities for the year ended 30 June 2003 complies with Accounting Standard AASB 1039 : Concise Financial Reports.

Perth, WA
Dated: 30 September 2003

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

S C Cubitt
S C CUBITT
Partner

A D D I T I O N A L I N F O R M A T I O N

P u r s u a n t t o t h e L i s t i n g R e q u i r e m e n t s o f A u s t r a l i a n
S t o c k E x c h a n g e L i m i t e d a s a t 3 0 S e p t e m b e r 2 0 0 3

(a) Distribution and number of holders

	SHAREHOLDERS	21.01.2004 OPTIONHOLDERS
1 - 1,000	21	31
1,001 - 5,000	105	211
5,001 - 10,000	216	110
10,001 - 100,000	1,073	195
100,001 - maximum	399	65
	1,814	612

832 shareholders hold less than a marketable parcel of shares.

587 optionholders (21.01.2004) hold less than a marketable parcel of options.

(b) Substantial shareholders (5% or more of issued capital).

J Borshoff and associated companies

(c) The twenty largest shareholders hold 35.37% of the total shares issued.

Holder	No. of Shares	%
Aylworth Holdings Pty Ltd	11,843,237	4.33
Merrill Lynch (Australia) Nominees Pty Ltd	11,414,985	4.17
Mr G J Buchanan & Mrs H J Buchanan	10,080,434	3.68
Dr L E Pretorius	8,000,000	3.00
Mr R A Healy & Mrs H M Healy	7,500,000	2.74
Nefco Nominees Pty Ltd	5,000,000	1.83
Mr R J Pilley	5,000,000	1.83
Reynolds (Nominees) Pty Limited	5,000,000	1.83
Citicorp Nominees Pty Limited	4,544,863	1.66
Mrs J A Godwin	3,938,300	1.44
Shar Holdings Pty Ltd	3,778,401	1.38
Mr R W Crabb & Mrs C J Crabb	3,748,050	1.37
Mr J U Blanchard III	2,777,778	1.02
Calm Holdings Pty Ltd	2,750,000	1.01
Strategic Consultants Pty Ltd	2,184,800	0.80
Mr H Leung	2,000,000	0.73
Tarmel Pty Limited	1,867,141	0.68
Alpenrose Investments Inc	1,730,000	0.63
Aurex Pty Ltd	1,701,861	0.62
Trio Investments Pty Ltd	1,698,655	0.62
	96,558,505	35.37

A D D I T I O N A L I N F O R M A T I O N

P u r s u a n t t o t h e L i s t i n g R e q u i r e m e n t s o f A u s t r a l i a n
S t o c k E x c h a n g e L i m i t e d a s a t 3 0 S e p t e m b e r 2 0 0 3

(d) The twenty largest optionholders (21.01.2004) hold 70.07% of the total options issued.

Holder	No. of Shares	%
Mr Lionel Henry Evans	8,000,000	12.70
Mr A D Dimmock	5,982,198	9.50
Dr S L Chiam	5,120,301	8.13
Kapiri Holdings Pty Ltd	3,000,000	4.76
Danny A Baayoun & Co Pty Ltd	2,500,000	3.97
Ms S Proud	2,348,594	3.73
Wakeford Holdings Pty Ltd	2,256,886	3.58
Mandevilla Pty Ltd	2,071,429	3.29
Aylworth Holdings Pty Ltd	1,691,892	2.69
Mr P J Hay	1,500,000	2.38
Mrs V I Sanos & Mr M L Sanos	1,500,000	2.38
Miss L J Petrie	1,449,177	2.30
Mr A Harrison	1,283,055	2.04
Mr G W Thomas	1,066,166	1.69
Hermes Capital Pty Ltd	1,000,000	1.59
Mr A Todarello	800,000	1.27
Dr L E Pretorius	750,000	1.19
Grundy Nominees Pty Ltd	678,572	1.08
Mr J Grover	594,286	0.94
Shar Holdings Pty Ltd	539,772	0.86
	44,732,328	70.07

ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of Australian Stock Exchange Limited as at 30 September 2003

(e) Voting rights

For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

(f) Mining Tenements held -

Project	Tenement	Interest %	JV Partner/s	Operator
URANIUM PROJECTS				
WESTERN AUSTRALIA				
Manyingee	3 ML's	100%	-	-
Oobagooma	4 EL(A)'s	100%	-	-
SOUTH AUSTRALIA				
Siccus	1 EL	90%	Signature Resources NL	Paladin
Lake Elder	1 EL	20%	Quasar Resources Pty Ltd	Quasar Resources Pty Ltd
Mt Yerila	1 EL	15%	Quasar Resources Pty Ltd J E Risinger	Quasar Resources Pty Ltd
NORTHERN TERRITORY				
N E Arunta	1 EL	100%	-	-
MALAWI - AFRICA				
Kayelekera	1 EPL	90%	Balmain Resources Pty Ltd	Paladin
NAMIBIA - AFRICA				
Langer Heinrich	1 MDRL	100%	-	-
NON-URANIUM PROJECTS				
SOUTH AUSTRALIA				
Mt Lofty Ranges	2 EL's	90%	Absolut Resources Corporation	Paladin
Reaphook JV	1 EL	7.5%	Perilya Limited	Perilya Limited
NORTHERN TERRITORY				
Davenport	3 EL(A)'s	30%	Newmont NFM Pty Ltd	Newmont NFM Pty Ltd

EPL	Exclusive Prospecting Licence (Malawi)
MDRL	Mineral Deposit Retention Licence (Namibia)
ML	Mining Lease (Australia)
(A)	Pending Application
M	Mining Lease (WA)
EL	Exploration Licence (SA and NT)
EL(A)	Exploration Licence Application (SA and NT)
EPL	Exclusive Prospecting Licence (Malawi)

DIRECTORS

Mr Rick Wayne Crabb (Chairman)

Mr John Borshoff (Managing Director)

Dr Leon Pretorius (Director)

COMPANY SECRETARY

Ms Gillian Swaby

REGISTERED OFFICE

1st Floor, 245 Churchill Avenue
Subiaco Western Australia 6008
(PO Box 201, Subiaco)

Telephone: (+61 8) 9381 4366

Facsimile: (+61 8) 9381 4978

Email: paladin@paladinresources.com.au

Web: www.paladinresources.com.au

SHARE REGISTER

Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
Perth Western Australia 6000

Telephone: (+61 8) 9323 2000

Facsimile: (+61 8) 9323 2033

AUDITORS

RSM Bird Cameron Partners
8 St George's Terrace
Perth Western Australia 6000

SOLICITORS TO THE COMPANY

Blakiston & Crabb
1202 Hay Street
West Perth Western Australia 6005



LANGER HEINRICH

URANIUM DEPOSIT

Test Mining Trench (Gencor 1978).

Excavated 80,000 t of ore grading 0.01% U_3O_8 .





P A L A D I N R E S O U R C E S L T D

A C N 0 6 1 6 8 1 0 9 8

1st Floor, 245 Churchill Avenue, Subiaco WA 6008
www.paladinresources.com.au



PALADIN RESOURCES LTD

A.C.N. 061 681 098

245 CHURCHILL AVE, SUBIACO WESTERN AUSTRALIA 6008
PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

TELEPHONE: (+61 8) 9381 4366 FAX: (+61 8) 9381 4978

EMAIL: paladin@paladinresources.com.au

Web: www.paladinresources.com.au

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Tuesday, 25 November 2003 at 10.00am.

AGENDA

Ordinary Business

Financial Report

To receive the financial report for the year ended 30 June 2003, and the Directors' and Auditors' Reports thereon.

Resolution 1 Election of Director

To consider and, if thought fit, pass the following ordinary resolution:

"That Mr Rick Crabb be re-elected as a Director".

Resolution 2 Election of Director

To consider and, if thought fit, pass the following ordinary resolution:

"That Dr Leon Pretorius be re-elected as a Director".

Resolution 3 Placement of Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to Listing Rule 7.3 of the Listing Rules of the ASX and for all other purposes, the Company hereby approves and authorises the allotment and issue of up to 30,000,000 fully paid ordinary shares in the capital of the Company at a minimum issue price of 80% of the average market price at the time of issue, as determined by the Listing Rules of the ASX, each to parties to be determined by the directors and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

The Company will disregard any votes cast on resolution 3 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any person associated with those persons. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed by wording that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a person who might obtain a benefit, except in the capacity of a security holder, or any associate of those persons.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

SNAPSHOT DATE

The Board has determined that for the purposes of Section 1109N of the Corporations Act 2001, the persons eligible to vote at the meeting will be those persons who are registered shareholders at 5.00pm Western Standard Time on 21 November 2003.

PROXIES

A Proxy Form accompanies this Notice. The reverse side of the Proxy Form sets out instructions for the completion and lodgement of the Proxy Form.

By Order of the Board

Dated: 20 October 2003

GILLIAN SWABY
Company Secretary

Explanatory Memorandum to Shareholders in relation to Resolution 3**Placement of Shares**

The following information is provided in relation to resolution 3 to allow shareholders to approve the proposed issue of shares:

- the maximum number of securities of the Company to be issued under resolution 3 is 30,000,000 fully paid ordinary shares;
- the shares will be issued on a date not later than 3 months after the date of this General Meeting;
- the allottees in respect of resolution 3 are to be determined by the directors in their sole discretion;
- the fully paid ordinary shares will rank pari passu with the existing ordinary shares of the Company; and
- the funds raised by the issue of the shares, the subject of resolution 3, are proposed to be used in pursuing the Company's mineral resource strategy focussing on completion of the Bankable Feasibility Study on its Langer Heinrich Uranium Project together with ongoing working capital.



PALADIN RESOURCES LIMITED
ACN 061 681 098

All correspondence to:
Paladin Resources Ltd
PO Box 201
Subiaco 6904 Western Australia
Telephone +618 9381 4366
Facsimile +618 9381 4978
www.paladinresources.com.au

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



Name: _____

Address: _____

Appointment of Proxy

I/We being a member/s of Paladin Resources Ltd and entitled to attend and vote hereby appoint



the Chairman
Of the Meeting
(mark with an 'X')

OR

Write here the name of the person you are
appointing if this person **is someone other**
than the Chairman of the Meeting

or failing the person named, or if no person 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, as the proxy sees fit) at the Annual General Meeting of Paladin Resources Ltd to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Tuesday, 25 November 2003 at 10.00am and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

Ordinary Business

Resolution 1 Re-election of Director – R Crabb

Resolution 2 Re-election of Director – L Pretorius

Resolution 3 Placement of Shares

For Against Abstain*

☐	☐	☐
☐	☐	☐
☐	☐	☐

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

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

**Sole Director and
Sole Company Secretary**

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

How to complete the Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. The Chairman intends to vote in favour of resolutions for which no voting indication has been given.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

6. Lodgement of a Proxy and Deadline for Receipt of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 23rd November 2003 at 10.00am. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post, delivery or facsimile to the Registered Office of Paladin Resources Ltd being

1st Floor, 245 Churchill Avenue
(Po Box 201)
Subiaco WA 6008
or by facsimile to fax number 08 9381 4978