



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

eLodgement

To: The Company Announcements Officer **From:** Gill Swaby

Co.: Australian Stock Exchange Limited **Pages:** 7

Date: 23 January 2004

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➤ **Notice of General Meeting**



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22 January 2004

Dear Shareholder

The spot price of uranium continues to rise making Paladin's uranium portfolio even more valuable and impressive. The spot price for the week of 12 January reached US\$15.00/lb U_3O_8 which is a 7 year high and forecasts indicate that the uranium market outlook is expected to remain strong in the mid to long term. It is evident that new mines will be required in the coming years to provide secure supplies to nuclear utility customers.

As announced to the ASX, the Bankable Feasibility Study for the Langer Heinrich Uranium Project can now be commenced with Société Générale agreeing to offer Paladin a loan facility of A\$2M towards the funding of this study. One of the conditions of the facility is the issue of unlisted options to Société Générale. This requires shareholder approval and it is for this reason a General Meeting has been called for 19 February 2004. Details of the proposed issue are included in the Explanatory Memorandum attached to the Notice of Meeting.

The Directors of Paladin strongly recommend that you vote in favour of the resolution by either attending the meeting or completing the enclosed proxy form.

The timing is absolutely perfect for development of this uranium operation and the continued positive market outlook makes Paladin one of the few junior uranium companies worldwide with the opportunity to quickly capitalise on the quality uranium assets it has accumulated and obtain benefit to its shareholders.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director



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Notice of General Meeting

Notice is hereby given that a General Meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday, 19 February 2004 at 10.00am.

AGENDA

Business

Resolution 1 Issue of Options in relation to funding of Langer Heinrich Uranium Project

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

"That pursuant to the Listing Rules of the ASX and for all other purposes, the Company hereby approves and authorises the allotment and issue of up to 39,333,340 unlisted options, exercise at 5.5 cents and expiring 3 years after the date of grant to SG Australia Ltd or its nominee 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 1 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 17 February 2004.

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: 22 January 2004

GILLIAN SWABY
Company Secretary

Explanatory Memorandum to Shareholders in relation to Resolution 1

Issue of Options in relation to funding of Langer Heinrich Uranium Project

The Directors of Paladin Resources Ltd (“Paladin”) announced on 8 January 2004 that Société Générale Australia Branch (“SG”), a member the international banking group, Société Générale, had agreed to offer Paladin a funding facility of A\$2 million toward finalising the Bankable Feasibility Study (“BFS”) for its 100% owned Langer Heinrich Uranium Project located in Namibia.

SG’s positive assessment of the Project confirms Paladin’s belief that the Langer Heinrich Uranium Project has a realistic potential to be developed as a robust 10 year plus project with a production rate per year of 2.2 million pounds of uranium oxide. Embarking now on a BFS for a uranium project is timely recognising that the uranium market outlook is in very positive mode. In calendar year 2003 the price of yellowcake has increased by 42% and this rate of increase has only occurred twice in the history of the commercial uranium market. Long term uranium market pricing is now above the US\$14.00/lb U₃O₈ which was used for the financial models for the Pre-Feasibility Study, making Langer Heinrich an even more attractive investment proposition.

Langer Heinrich Uranium Project

In March 2003 Paladin announced the successful conclusion of its Pre-Feasibility Study which strongly justified taking the Project to BFS stage. Fluor Daniel South Africa were selected as the Project Engineers and a complete programme has been finalised with them detailing all elements of the Study and its execution schedule. The BFS is anticipated to take 9-12 months to complete. The relatively short period of this study has been made possible as a result of the large amount of quality work already available on the Project which is relevant to the completion of the study.

Initial work will involve the collection of bulk samples for metallurgical testwork. Preparatory work for this has already been completed by Paladin and work to collect the bulk samples from existing stockpiles and transport to laboratories in Johannesburg will start immediately and should be completed by the end of January. Metallurgical testwork is anticipated to commence in February. The overall BFS programme is planned according to the following timetable:-

Task	Year							
	2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BFS								
Reserves/Mine Schedule								
Bulk Sampling								
Testwork								
Engineering								
Financial Analysis								
EIS								
Marketing								
Project Financing								
Project Commitment								
Construction								
Implementation	Early 2006 →							

Terms and Conditions of Loan Facility

SG has agreed to provide Paladin with loan funds of A\$2 million which is subject to finalisation of legal documentation. The funding is in the form of a secured loan facility at a margin of 3% over the Australian Bank Bill Rate with Paladin having the right to capitalise interest. Should the loan facility be fully drawn, Paladin, will issue a total of SG 39,333,340 three year options exercisable at 5.5 cents. Shareholder approval is required for the grant of these options and this is the subject of resolution 1 of this Notice of Meeting. This loan facility will be for a minimum of A\$0.5 million for which Paladin will issue 10 million of these options with the first drawdown. Thereafter options is issued to SG pro rata on the basis of 1,955,556 options for each A\$100,000 drawn under the facility. The loan funds will be directed to assisting in completion of the BFS. SG is a well known international lender for project development funding and is also potentially interested in assisting Paladin in this regard.

The following information is provided in relation to resolution 1 to allow shareholders to approve the proposed issue of options:

- the maximum number of securities of the Company to be issued under resolution 1 is 39,333,340 unlisted options;
- the options will be issued as follows:-

10,000,000 options within one month of the first drawdown (\$500,000) on the facility; and

1,955,556 for each \$100,000 drawn under the facility thereafter.

However, in any event, no options will be issued later than a date being 18 months from the date of this shareholder meeting.

- the allottee in respect of resolution 1 will be SG Australia Ltd or its nominee;
- the fully paid ordinary shares resulting from the exercise of the options will rank pari passu with the existing ordinary shares of the Company;
- the options are to be issued at nil consideration; and
- the terms and conditions of the options are set out in attachment A.

Rights Attaching to New Options

1. Each option shall entitle the holder to the right to subscribe for and to be allotted one Share upon exercise of the option and payment to the Company of 5.5 cents cash.
2. Options may be exercised at any time by sending a completed and signed notice of exercise, together with payment of 5.5 cents for each option, to the Company's share registry.
3. Optionholders will not be required to exercise all of the options to which they are entitled at one time, but must exercise options in multiples of 1,000, save if the holding is less than 1,000 in which case all options may be exercised. Shares allotted on the exercise of an option will be allotted or issued in accordance with the terms of the options, and in any event, not more than 14 days after the receipt of a properly executed notice of exercise and the required application moneys.
4. A notice of exercise is only effective when the Company has received the full amount of exercise price (5.5 cents per option) in cash or cleared funds.
5. Options may be transferred at any time prior to their expiry.
6. Each option will automatically lapse if not exercised on or before 5.00pm WST on a date no later than 3 years from the date of grant.
7. The options will be unlisted and the period during which the options may be exercised will not be extended.
8. Optionholders are not permitted to participate in new issues of shares as option holders. Optionholders may participate in pro-rata new issues of shares if the option is exercised before the relevant record date for that new issue. Optionholders will be advised at least 9 business days before the record date for a proposed new issue.
9. In the event of a re-organisation of the capital of the Company, the options will be re-organised (as appropriate) in accordance with the Listing Rules
10. Shares allotted pursuant to the exercise of the options will rank equally with the then issued shares of the Company.

If there is a bonus issue (as defined in the Listing Rules) to the holders of Shares, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the Optionholders would have received if the Option had been exercised before the record date for such bonus issue.



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ACN 061 681 098

All correspondence to:
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PO Box 201
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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 Thursday, 19 February 2004 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 Issue of Options

For Against Abstain*

☐	☐	☐
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* 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. If you do not wish to direct proxy how to vote, please place a mark in the following box. By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome in the resolution and votes cast by him as proxy will be disregarded because of that interest.

Chairman

☐

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 17th February 2004 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**