



PALADIN RESOURCES LTD

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Ref:F5855

20 May 2005

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Financial Statements for Quarter End 31 March 2005

Attached please find unaudited Financial Statements covering the period to 31 March 2005 together with Management Discussion and Analysis and CEO/CFO Certification as required in accordance with Canadian reporting requirements.

Yours faithfully
Paladin Resources Ltd

Gillian Swaby
Company Secretary

PALADIN RESOURCES LIMITED

Interim Consolidated Financial Statements

Nine Months (Third Quarter) ended 31 March 2005

Unaudited – Prepared by Management

Expressed in Australian Dollars

The accompanying Interim Consolidated Financial Statements for the nine months ended 31 March 2005 and 31 March 2004 have not been reviewed or audited by the Company's Auditors and have an effective date of 12 May 2005

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE
 UNAUDITED – PREPARED BY MANAGEMENT
 EXPRESSED IN AUSTRALIAN DOLLARS

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2005	2004	2005	2004
	\$	\$	\$	\$
REVENUES				
Proceeds on sale of investments	-	-	-	537,555
Property rental	35,347	44,147	96,718	119,092
Proceeds on sale of tenements	-	-	250,000	-
Interest	90,283	39,720	227,839	40,995
Nortel settlement	-	-	70,000	-
Other	1,976	6,689	2,849	6,689
TOTAL REVENUES FROM ORDINARY ACTIVITIES	127,606	90,556	647,406	704,331
EXPENSES				
Labour	102,436	699	262,326	31,508
Rent and occupancy	5,707	3,718	36,938	28,595
Insurance	-	17,497	31,337	28,908
Legal and accounting	69,215	33,876	103,058	39,406
General administration	148,223	100,913	275,432	211,900
Borrowing costs	25,078	17,470	65,506	44,516
Provision for non recovery of trade debts	17,469	-	22,469	-
Provision for non recovery of interest owing	94,438	-	94,438	-
Provision for non recovery of convertible note	800,000	-	800,000	-
Depreciation	11,632	7,702	25,329	10,703
Amortisation	14,848	5,348	44,545	41,033
Cost of tenements sold	-	-	24,425	-
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	1,289,046	187,223	1,785,803	436,569
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	(1,161,440)	(96,667)	(1,138,397)	267,762
Income tax expense	-	-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	(1,161,440)	(96,667)	(1,138,397)	267,762
Profit/(loss) per share – basic & diluted (cents)	(0.32)	(0.03)	(0.32)	0.10

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 UNAUDITED – PREPARED BY MANAGEMENT
 EXPRESSED IN AUSTRALIAN DOLLARS

	31 March 2005 unaudited \$	30 June 2004 audited \$
CURRENT ASSETS		
Cash	5,095,550	4,638,702
Receivables	60,524	48,724
Property, plant and equipment (Note 3)	1,100,208	1,114,242
TOTAL CURRENT ASSETS	6,256,282	5,801,668
NON CURRENT ASSETS		
Other financial assets	150,000	800,000
Property, plant and equipment	577,131	249,315
Receivables	-	64,438
Other – mineral properties (Note 4)	7,776,813	3,815,639
TOTAL NON CURRENT ASSETS	8,503,944	4,929,392
TOTAL ASSETS	14,760,226	10,731,060
CURRENT LIABILITIES		
Accounts payable	693,616	553,538
Interest bearing liabilities	1,254,648	733,326
Provisions	36,699	33,702
TOTAL CURRENT LIABILITIES	1,984,963	1,320,566
TOTAL LIABILITIES	1,984,963	1,320,566
NET ASSETS	12,775,263	9,410,494
EQUITY		
Contributed equity (Note 5a)	28,768,462	24,265,296
Reserves	174,463	174,463
Accumulated losses	(16,167,662)	(15,029,265)
TOTAL EQUITY	12,775,263	9,410,494

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
 UNAUDITED – PREPARED BY MANAGEMENT
 EXPRESSED IN AUSTRALIAN DOLLARS

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2005	2004	2005	2004
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers and employees	(309,393)	(290,698)	(720,476)	(344,774)
Other receipts	2,836	133,191	72,849	133,191
Interest received	80,283	9,717	178,685	10,992
Interest paid	(14,399)	(17,470)	(44,266)	(44,516)
Rental income	35,715	54,323	95,980	129,092
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(204,958)	(110,937)	(417,228)	(116,015)
CASH FLOWS FROM INVESTING ACTIVITIES				
Project development expenditure	(1,104,069)	(183,951)	(3,057,634)	(345,011)
Exploration and evaluation expenditure	(365,689)	(72,455)	(787,887)	(84,594)
Sale of tenements and investments	-	60,260	100,000	537,815
Payments for property, plant & equipment	(133,961)	(5,622)	(383,656)	(5,622)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(1,603,719)	(201,768)	(4,129,177)	102,588
CASH FLOWS FROM FINANCING ACTIVITIES				
Share placement	-	1,176,550	3,099,800	1,344,900
Proceeds from share options	220,000	-	1,475,000	-
Fundraising costs	-	(31,250)	(71,634)	(36,685)
Proceeds from borrowings	-	5,630	500,087	630
Loan repayments	(458)	-	-	-
NET CASH INFLOW FROM FINANCING ACTIVITIES	219,542	1,150,930	5,003,253	1,308,845
NET INCREASE/(DECREASE) IN CASH HELD	(1,589,135)	838,225	456,848	1,295,418
Cash at the beginning of the financial period	6,684,685	579,022	4,638,702	121,829
CASH AT THE END OF THE FINANCIAL PERIOD	5,095,550	1,417,247	5,095,550	1,417,247

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
 UNAUDITED – PREPARED BY MANAGEMENT
 EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 1. BASIS OF PREPARATION

This general purpose financial report (unaudited) of the Company for the interim nine month reporting period ended 31 March 2005 has been prepared by management on a going concern basis in accordance with Australian Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory Australian professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report has been prepared as discussed above and includes additional information in order for the Company to comply with quarterly reporting requirements of applicable Canadian securities law, as the Company is listed on the Toronto Stock Exchange.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2004, the interim half year report for the six months ended 31 December 2004, and any other public announcements made by PALADIN RESOURCES LIMITED during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2. SEGMENT REPORTING

Industry Segments Nine Months Ended 31 March 2005	Resources \$	Financial Investments \$	Property \$	Consolidated \$
Other revenue	448,600	30,000	168,806	647,406
Total segment revenue	448,600	30,000	168,806	647,406
Profit/(loss) from ordinary activities before income tax expense	(328,708)	(864,438)	54,749	(1,138,397)
Income tax expense	-	-	-	-
Profit/(loss) from ordinary activities after income tax expense	(328,708)	(864,438)	54,749	(1,138,397)
Total assets	13,463,993	150,000	1,146,233	14,760,226
Segment liabilities	1,247,185	-	737,778	1,984,963
Acquisitions of non-current assets	4,229,177	150,000	-	4,379,177
Depreciation and amortisation	55,840	-	14,034	69,874

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
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NOTE 2. SEGMENT REPORTING (CONTINUED)

Industry Segments Nine Months Ended 31 March 2004	Resources \$	Financial Investments \$	Property \$	Consolidated \$
Other revenue	14,902	567,815	121,614	704,331
Total segment revenue	14,902	567,815	121,614	704,331
Profit/(loss) from ordinary activities before income tax expense	(339,042)	567,815	38,989	267,762
Income tax expense	-	-	-	-
Profit/(loss) from ordinary activities after income tax expense	(339,042)	567,815	38,989	267,762
Total assets	5,201,647	854,438	1,206,749	7,262,834
Segment liabilities	506,420	-	755,019	1,261,439
Acquisitions of non-current assets	435,227	-	-	435,227
Depreciation and amortisation	37,701	-	14,035	51,736

Geographical Segments Nine Months Ended 31 March 2005	Australia \$	Africa \$	Consolidated \$
Other revenue	647,406	-	647,406
Total segment revenue	647,406	-	647,406
Loss from ordinary activities before income tax expense	(1,138,397)	-	(1,138,397)
Income tax expense	-	-	-
Loss from ordinary activities after income tax expense	(1,138,397)	-	(1,138,397)
Total assets	8,817,430	5,942,796	14,760,226
Segment liabilities	1,789,135	195,828	1,984,963
Acquisitions of non-current assets	918,537	3,460,640	4,379,177
Depreciation and amortisation	69,874	-	69,874

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
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NOTE 2. SEGMENT REPORTING (CONTINUED)

Geographical Segments
Nine Months Ended
31 March 2004

	Australia \$	Africa \$	Consolidated \$
Other revenue	704,331	-	704,331
Total segment revenue	704,331	-	704,331
Profit from ordinary activities before income tax expense	267,762	-	267,762
Income tax expense	-	-	-
Profit from ordinary activities after income tax expense	267,762	-	267,762
Total assets	5,746,645	1,516,189	7,262,834
Segment liabilities	1,261,216	223	1,261,439
Acquisitions of non-current assets	41,941	393,286	435,227
Depreciation and amortisation	51,736	-	51,736

NOTE 3. CURRENT ASSET – PROPERTY, PLANT AND EQUIPMENT

The current property, plant and equipment asset of the Company as at 31 March 2005 of \$1,100,208 and as at 30 June 2004 of \$1,114,242 consists of land and buildings and has been classified as a current asset as a result of the active negotiations to sell the commercial property. In accordance with accounting principles generally accepted in Australia the building assets continue to be depreciated until the sale process is completed.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
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NOTE 4. OTHER ASSETS – MINERAL PROPERTIES

The following table details the expenditures on interests in mineral properties by area of interest for the nine months ended **31 March 2005**:

Areas of interest	Langer Heinrich Project \$	Kayelekera Project \$	Manyingee Project \$	Oobagooma Project \$	Other Projects \$	Total \$
Balance June, 30 2004 (audited)	768,059	961,623	1,764,182	192,987	128,788	3,815,639
Acquisition						
Property payments	-	-	-	-	-	-
Total acquisition	-	-	-	-	-	-
Project development, exploration and evaluation expenditure						
Interest received	(4,139)	(9)	-	-	-	(4,148)
Joint venture contributions	-	-	-	-	(8,573)	(8,573)
Tenement costs	4,868	203	14,338	25	19,984	39,418
Labour	331,523	106,446	-	-	30,090	468,059
Consultants and contractors	167,863	17,972	324	41	12,391	198,591
Materials and utilities	36,308	8,467	-	-	1,152	45,927
Transportation and communications	223,873	43,319	242	66	15,562	283,062
Outside services	2,132,936	117,653	-	-	2,195	2,252,784
Legal and accounting	98,275	5,080	-	-	5,386	108,741
Insurance	30,517	3,616	300	-	2,111	36,544
Camp expenses	35,900	13,112	-	-	3,270	52,282
Overheads	243,015	70,732	2,705	160	9,948	326,560
Other	160,596	16,416	565	242	8,533	186,352
Total expenditure	3,461,535	403,007	18,474	534	102,049	3,985,599
Cost of tenements sold	-	-	-	-	(24,425)	(24,425)
Balance 31 March 2005 (un-audited)	4,229,594	1,364,630	1,782,656	193,521	206,412	7,776,813

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
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NOTE 4. OTHER ASSETS – MINERAL PROPERTIES (CONTINUED)

The following table details the expenditures on interests in mineral properties by area of interest for the twelve months ended **30 June 2004**:

Areas of interest	Langer Heinrich Project \$	Kayelekera Project \$	Manyingee Project \$	Oobagooma Project \$	Other Projects \$	Total \$
Balance June 30, 2003 (audited)	257,148	889,815	1,714,295	191,241	113,777	3,166,276
Acquisition						
Property payments	-	-	-	-	-	-
Total acquisition	-	-	-	-	-	-
Project development, exploration and evaluation expenditure						
Interest received	-	-	-	-	-	-
Joint venture contributions	-	-	-	-	(17,401)	(17,401)
Tenement costs	(16,703)	228	42,370	(484)	1,907	27,318
Labour	188,508	27,734	1,203	332	9,522	227,299
Consultants and contractors	79,418	1,178	609	164	6,415	87,784
Materials and utilities	2,807	431	-	-	64	3,302
Transportation and communications	57,861	5,164	222	208	2,474	65,929
Outside services	3,935	-	-	-	-	3,935
Legal and accounting	43,738	252	-	-	1,135	45,125
Insurance	6,710	1,959	123	123	1,743	10,658
Camp expenses	15,386	516	-	-	658	16,560
Overheads	84,645	14,361	4,323	368	7,006	110,703
Depreciation	6,780	-	-	-	-	6,780
Other	37,826	19,985	1,037	1,035	1,488	61,371
Total expenditure	510,911	71,808	49,887	1,746	15,011	649,363
Cost of tenements sold	-	-	-	-	-	-
Balance 30 June 2004 (audited)	768,059	961,623	1,764,182	192,987	128,788	3,815,639

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5. CONTRIBUTED EQUITY

	31 March 2005 unaudited \$	30 June 2004 audited \$
(a) Share Capital		
Opening balance of contributed equity at 1 July	24,265,296	19,470,094
Net funds raised from the issue of fully paid ordinary shares for the nine months ended (2004: twelve months ended)	<u>4,503,166</u>	4,795,202
Closing balance of contributed equity	<u>28,768,462</u>	24,265,296
	31 March 2005 Number	30 June 2004 Number
Consisting of the following:		
Number of ordinary shares fully paid	<u>364,885,713</u>	333,685,713

(b) Options

Issued share options outstanding to Directors, employees and consultants directly engaged in corporate, project development, and exploration and evaluation work for the Company are as follows:

	31 March 2005 Number
Number of unlisted share options	<u>33,350,000</u>
Consisting of the following:	
Expiry date	Exercise price
26 May 2006	\$0.22 11,000,000
26 May 2006	\$0.32 3,000,000
30 November 2007	\$1.00 7,800,000
30 November 2007	\$1.25 1,300,000
20 December 2007	\$1.00 10,250,000

NOTE 6. COMMITMENTS AND CONTINGENT LIABILITIES

There have been no major changes in the commitments and contingent liabilities for the Company from those reported in the Annual Report for the year ended 30 June 2004 and the half year report for the six months ended 31 December 2004.

NOTE 7. EVENTS SUBSEQUENT TO BALANCE DATE

Equity Placement

On 11 April 2005 the Company announced that a placement of 36 million fully paid ordinary shares at \$1.05 per share to raise \$37,800,000 had been successfully completed. National Bank Financial Inc based in Toronto, Canada acted as lead agent with Haywood Securities Inc and the agents received a commission of 2% of the gross proceeds.

The net proceeds from this placement will allow for the early commencement of development for the Langer Heinrich Uranium Project in Namibia.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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NOTE 7. EVENTS SUBSEQUENT TO BALANCE DATE (CONTINUED)

Board Restructure

On 12 April 2005 the Company announced, effective immediately, the appointments of Messrs Sean Llewelyn and Cliff Davis as independent Non Executive Directors and the resignation of Executive Director, Dr Leon Pretorius.

Kayelekera Uranium Project - Malawi

On 26 April 2005 the Company announced the approval for a Bankable Feasibility Study (BFS) on the Kayelekera Uranium Project in Malawi. The BFS includes in-country logistical and technical support from the Company, with a 4,500m RC drilling programme approved to commence in June 2005. The cost of the BFS including in-country support is anticipated to be US\$2,300,000 with an expected completion date of mid 2006.

Langer Heinrich Uranium Project – Namibia

On 27 April 2005 the Company announced the approval for a 10,000m RC drilling programme to define additional resources which is planned to commence in May 2005 with completion expected by August 2006. This drilling programme does not relate to the BFS which has delineated sufficient uranium resources.

On 9 May 2005 the Company announced that GRD Minproc (Pty) Ltd had finalised and delivered the BFS which demonstrated that the Langer Heinrich Uranium Project is financially and technically viable. The Board has resolved to proceed with development and approved expenditure of US\$20,000,000 for the first phase of project development to November 2005 including front end engineering design work. A mining licence application has been submitted to the Commissioner of Mines in Namibia for approval.

Listing on the Toronto Stock Exchange

On 28 April 2005 the Company announced that the Toronto Stock Exchange had approved the listing of the Company's ordinary shares, and trading commenced on Friday, 29 April 2005. The Company will maintain its existing listing on the Australian Stock Exchange as its primary listing.

Didasko Limited – Administrator Appointed

On 10 May 2005 Didasko Limited requested to be suspended from official quotation on the Australian Stock Exchange following the appointment of an Administrator in relation to a dispute with a lender. As at 31 March 2005 the Company has A\$911,907 in financial exposure to Didasko Technologies Pty Ltd, a wholly owned subsidiary of Didasko Limited, in the form of convertible note, interest receivable, and rent receivable assets.

In the Directors' opinion Didasko Technologies Pty Ltd is reliant upon ongoing financial support from its parent entity Didasko Limited, in order to continue as a going concern.

It is the Directors' best assessment of the current position that uncertainty exists around the recoverability of the convertible note, interest receivable, and rent receivable assets as the outcome of the appointment of any Administrator is inherently uncertain. Accordingly at 31 March 2005, the Company has made full provision for non recovery of the A\$911,907 assets. However, the Company will use all legal means available to seek full recovery of the amounts owing from Didasko Technologies Pty Ltd.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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NOTE 8. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of Australian equivalents to International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January 2005.

For the Company this will be effective for the financial year commencing 1 July 2005, and will require the production of accounting data that is compliant with IFRS including comparatives from 1 July 2004.

The Company's management is adopting a three phase approach to IFRS:-

Phase 1	Identification of IFRS differences
Phase 2	Quantification of IFRS differences
Phase 3	Adjustment to accounting data and disclosures for IFRS differences

At the present time the Company's management is nearing completion of Phase 1 and expects to be fully compliant with IFRS for the financial year commencing 1 July 2005.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9. CANADIAN GAAP REPORTING

This interim financial report (unaudited) of the Company has been prepared in accordance with Australian accounting and reporting standards ('Australian GAAP') which, as applied in the interim consolidated financial statements for the nine month periods ended 31 March 2005 and 31 March 2004, conform in all material respects to those accounting principles generally accepted in the Canada ('Canadian GAAP'); except for the significant variances from the application of Canadian GAAP on the Company's interim consolidated financial statements (unaudited) as set out below:

(a) Interim consolidated statements of income and accumulated losses:

	Three Months Ended 31 March		Nine Months Ended 31 March	
	2005	2004	2005	2004
	\$	\$	\$	\$
Revenues				
Total revenues, as reported in accordance with Australian GAAP	127,606	90,556	647,406	704,331
Adjustment to accord with Canadian GAAP relating to: Reclassification of cost of tenements sold (Note i)	-	-	(24,425)	-
Total revenues, as reported in accordance with Canadian GAAP	127,606	90,556	622,981	704,331
Expenses				
Total expenses, as reported in accordance with Australian GAAP	1,289,046	187,223	1,785,803	436,569
Adjustment to accord with Canadian GAAP relating to: Reclassification of cost of tenements sold (Note i)	-	-	(24,425)	-
Reversal of depreciation on asset held for sale (Note ii)	(4,678)	-	(14,034)	-
Recognition of borrowing cost expense relating to stock options granted to non-employees (Note iii)	140,543	-	357,231	-
Total expenses, as reported in accordance with Canadian GAAP	1,424,911	187,223	2,104,575	436,569
Profit/(loss) for period, before and after tax	(1,297,305)	(96,667)	(1,481,594)	267,762
Accumulated losses, beginning of period	(15,213,554)	(14,854,708)	(15,029,265)	(15,219,137)
Accumulated losses, end of period	(16,510,859)	(14,951,375)	(16,510,859)	(14,951,375)
Profit/(loss) per share – basic & dilutive (cents) (Note iv)	(0.36)	(0.03)	(0.42)	0.10
Weighted average number of shares – basic & dilutive	364,234,028	292,524,602	351,077,654	281,029,874

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
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NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(a) Interim consolidated statements of income and accumulated losses (continued):

Under Canadian GAAP the following reclassifications and adjustments are required to the statements of income and accumulated losses:

Note i -Reclassification of cost of tenements sold

Under Canadian GAAP the net profit on sale of assets is required to be disclosed in revenue. For Australian GAAP purposes the gross proceeds on sale of assets have been disclosed in revenue and the cost of assets sold in expenses. As a result the proceeds on sale of tenements for Australian GAAP purposes of \$250,000 is required to be reduced by the cost of tenements sold of \$24,425, to reflect the Canadian GAAP net profit on sale of tenements of \$225,575.

Note ii -Reversal of depreciation on asset held for sale

Under Canadian GAAP once an asset has been classified as being held for sale, depreciation of the asset ceases. As a result, to accord with Canadian GAAP the depreciation on the land and buildings assets held for sale (disclosed as current property, plant and equipment) for the nine months ended 31 March 2005 of \$14,034 has been reversed. The Canadian requirements for disclosure as an asset held for sale have not been met before 30 June 2004, and as such no adjustment has been made to reverse depreciation on the asset held for sale before this date.

Note iii -Recognition of borrowing cost expense relating to stock options granted to non-employees

Under Canadian GAAP, stock-based compensation to non-employees is required to be accounted for using a fair value-based method of accounting which stipulates recognition of the fair value in the financial statements. For Australian GAAP purposes no such treatment is required and as a result an adjustment is required to confirm with Canadian GAAP.

During the nine months ended 31 March 2005 the Company issued 10,000,000 stock options, exercisable at 5.5 cents on or before 30 September 2007, to Société Générale on establishment of loan facility for the Langer Heinrich Uranium project bankable feasibility study. The fair value of these options amounted to \$643,000, determined using the Black-Scholes option pricing formulae, and has been recognised in reserves which are disclosed as part of shareholders' equity for Canadian GAAP purposes.

As this loan facility is expected only to be available for a short period \$357,231 of the fair value has been expensed during the nine months ended 31 March 2005 as borrowing costs. The remaining \$285,769 of fair value has been recognized as a deferred financing fees current asset as at 31 March 2005 and will be amortised over the remaining period that the loan facility is expected to be available.

Note iv –Earnings per share

Both basic and dilutive earnings per share computations presented in the consolidated statements of income and accumulated losses have been based upon the weighted average number of common shares outstanding during the year. Under Canadian GAAP, an entity is required to calculate the dilutive effect of options, warrants and similar instruments on its earnings per share using the treasury stock method. In 2004 the outstanding options and warrants of the Company are not considered dilutive in accordance with the treasury stock method. In 2005 the Company is in a loss position and as such the effects of outstanding options and warrants are anti-dilutive. Therefore, both basic and dilutive profit or loss per share are the same figure for both 2005 and 2004.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
 UNAUDITED – PREPARED BY MANAGEMENT
 EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(b) Interim consolidated balance sheets:

	31 March 2005 (unaudited)	30 June 2004 (audited)
Assets		
Total current assets, as reported in accordance with Australian GAAP	6,256,282	5,801,668
Adjustment to accord with Canadian GAAP relating to:		
Reclassification of land and buildings to non-current (Note v)	(1,100,208)	(1,114,242)
Recognition of deferred financing fees for stock options granted to non-employees (Note iii)	285,769	-
Total current assets, as reported in accordance with Canadian GAAP	5,441,843	4,687,426
Total non-current assets		
Total non-current assets, as reported in accordance with Australian GAAP	8,503,944	4,929,392
Adjustment to accord with Canadian GAAP relating to:		
Reclassification of land and buildings to non-current (Note v)	1,100,208	1,114,242
Reversal of depreciation on asset held for sale (Note ii)	14,034	-
Total non-current assets, as reported in accordance with Canadian GAAP	9,618,186	6,043,634
Total assets, as reported in accordance with Canadian GAAP	15,060,029	10,731,060
Liabilities		
Total current liabilities, as reported in accordance with Australian GAAP	1,984,963	1,320,566
Adjustment to accord with Canadian GAAP relating to:		
Specific land and buildings accounts payable (Note vi)	(402,836)	(402,836)
Land and buildings bank loans (Note vii)	(733,408)	(733,326)
Total current liabilities, as reported in accordance with Canadian GAAP	848,719	184,404
Total non-current liabilities		
Total non-current liabilities, as reported in accordance with Australian GAAP	-	-
Adjustment to accord with Canadian GAAP relating to:		
Specific land and buildings accounts payable (Note vi)	402,836	402,836
Land and buildings bank loans (Note vii)	733,408	733,326
Total non-current liabilities, as reported in accordance with Canadian GAAP	1,136,244	1,136,162
Total liabilities, as reported in accordance with Australian and Canadian GAAP	1,984,963	1,320,566

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(b) Interim consolidated balance sheets (continued):

	31 March 2005 (unaudited)	30 June 2004 (audited)
Shareholders' equity		
Contributed Equity, as reported in accordance with Australian GAAP	28,768,462	24,265,296
Adjustment to accord with Canadian GAAP relating to:		
Grant of warrants (Note viii)	(8,525)	(8,525)
Warrants exercised (Note ix)	5,000	1,000
	28,764,937	24,257,771
Contributed Equity, as reported in accordance with Canadian GAAP		
Warrants, as reported in accordance with Australian GAAP	-	-
Adjustment to accord with Canadian GAAP relating to:		
Grant of warrants (Note viii)	8,525	8,525
Warrants expired unexercised (Note x)	(3,525)	(3,525)
Warrants exercised (Note ix)	(5,000)	(1,000)
	-	4,000
Warrants, as reported in accordance with Canadian GAAP		
Reserves, as reported in accordance with Australian GAAP	174,463	174,463
Adjustment to accord with Canadian GAAP relating to:		
Warrants expired unexercised (Note x)	3,525	3,525
Fair value of stock options granted to non-employees in relation to establishment of loan facility (Note iii)	643,000	-
	820,988	177,988
Reserves, as reported in accordance with Canadian GAAP		
Accumulated losses, as reported in accordance with Australian GAAP	(16,167,662)	(15,029,265)
Adjustment to accord with Canadian GAAP relating to:		
Reversal of depreciation on asset held for sale (Note ii)	14,034	-
Recognition of borrowing cost expense relating to stock options granted to non-employees (Note iii)	(357,231)	-
	(16,510,859)	(15,029,265)
Accumulated losses, as reported in accordance with Canadian GAAP		
Total shareholders' equity in accordance with Canadian GAAP	13,075,066	9,410,494
Total liabilities and shareholders' equity as reported in accordance with Canadian GAAP	15,060,029	10,731,060

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS (THIRD QUARTER) ENDED 31 MARCH 2005
UNAUDITED – PREPARED BY MANAGEMENT
EXPRESSED IN AUSTRALIAN DOLLARS

NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(b) Interim consolidated balance sheets (continued):

Under Canadian GAAP the following reclassifications and adjustments are required to the balance sheet:

Note v –Reclassification of current and non-current assets – land and buildings

In order to conform to Canadian GAAP the land and buildings asset have been reclassified to non-current assets as at 30 June 2004 as they do not meet the Canadian requirements for disclosure as an asset held for sale. In order to conform to Canadian GAAP the land and buildings asset has been reclassified to non-current assets as at 31 March 2005, as it meets the Canadian requirements for disclosure as an asset held for sale, but has not been sold prior to completion of the financial statements.

Note vi –Reclassification of current and non-current liabilities – accounts payable

Specific accounts payable of the Company, to be settled only on sale of land and buildings discussed in Note v above, as at 31 March 2005 and 30 June 2004 have been classified for Australian GAAP purposes as a current liability. To conform to Canadian GAAP this liability has been reclassified to non-current liabilities as contractual arrangements have been made for repayment from the proceeds received on sale of land and buildings.

Note vii –Reclassification of current and non-current liabilities – bank loans

Specific land and buildings bank loans of the Company as at 31 March 2005 and 30 June 2004 have been classified for Australian GAAP purposes as a current liability as it related to the land and buildings discussed in Note v above. To conform to Canadian GAAP this liability has been reclassified to non-current liabilities as contractual arrangements have been made for repayment from the proceeds received on sale of land and buildings asset.

Note viii –Grant of warrants

Some of the issued share options granted by the Company historically meets the definition of a warrant in Canada as they were attached to the issue of shares. The warrants are as follows:

During the year ended 30 June 2003, the Company issued 750,000 warrants in lieu of technical consulting services. These warrants were attached to the issue of 1,795,000 shares and each warrant entitled the holder to acquire one additional common share at a price of \$0.10 per share up to 21 January 2004.

During the year ended 30 June 2004, the Company issued 12,500,000 warrants as part of a private share placement issue of 5,000,000 shares. Of these 4,500,000 warrants entitled the holder to acquire one additional common share at a price of \$ 0.011 per share up to 31 March 2004; 4,200,000 warrants entitled the holder to acquire one additional common share at a price of \$0.012 per share up to 31 December 2004; and 3,800,000 warrants entitled the holder to acquire one additional common share at a price of \$0.013 per share up to 30 November 2005.

The total fair value of warrants issued by the Company noted above was \$8,525.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(b) Interim consolidated balance sheets (continued):

Note ix – Warrants exercised

During the year ended 30 June 2004, 4,500,000 of the warrants issued during the year ended 30 June 2004 were exercised. The fair value of these warrants exercised was \$1,000.

During the nine months ended 31 March 2005, the 4,200,000 and 3,800,000 warrants issued during the year ended 30 June 2004 were exercised. The fair value of these warrants exercised was \$4,000.

Note x – Warrants expired unexercised

During the year ended 30 June 2004 the 750,000 warrants issued during the year ended 30 June 2003 expired unexercised. The fair value of these warrants expired unexercised was \$3,525.

(c) Interim consolidated cash flow statements

There is no difference between Australian and Canadian GAAP in relation to the preparation of statements of cash flows. Under Canadian GAAP information pertaining to non-cash investing and financing activities must be presented as supplemental information on the statements of cash flows and this additional disclosure is presented below.

	Three Months Ended		Nine Months Ended	
	31 March		31 March	
	2005	2004	2005	2004
	\$	\$	\$	\$
Supplementary disclosure of non-cash investing and financing activities required under Canadian GAAP:				
Shares issued in lieu of technical consulting fees	-	-	-	55,800
Stock options granted to non-employees on establishment of loan facility	-	-	643,000	-
Stock options granted to employees for services performed	-	-	2,954,825	-

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(d) Segment reporting

As a result of the adjustments made to the interim consolidated statement of income for the nine months ended 31 March 2005 and the interim consolidated balance sheet as at 31 March 2005 as described above, the restated segmented information as required under Canadian GAAP is set out below:

Industry segments

Nine Months Ended 31 March 2005	Resources \$	Financial Investments \$	Property \$	Consolidated \$
Total segment revenue	424,175	30,000	168,806	622,981
Profit /(loss) from ordinary activities before and after income tax expense	(685,939)	(864,438)	68,783	(1,481,594)
Total assets	13,749,762	150,000	1,160,267	15,060,029
Depreciation and amortisation	55,840	-	-	55,840

Geographic segments

Nine Months Ended 31 March 2005	Australia \$	Africa \$	Consolidated \$
Total segment revenue	622,981	-	622,981
Loss from ordinary activities before and after income tax expense	(1,481,594)	-	(1,481,594)
Total assets	9,117,233	5,942,796	15,060,029
Depreciation and amortisation	55,840	-	55,840

(e) Share based employee compensation

Under Australian GAAP, a Company is not required to estimate and disclose the fair value of stock-based compensation. Under Canadian GAAP, stock-based compensation to non-employees and direct awards to employees and non-employees are required to be accounted for using a fair value-based method of accounting. The Section encourages, but does not require, the use of fair value-based method to account for all stock-based transactions with employees. When an enterprise does not use the fair value-based method, it must disclose pro-forma fair value-based income and earnings per share information. For stock options granted to employees, the Company has adopted the disclosure only provisions of the new standard whereby pro-forma net loss and pro-forma loss per share are disclosed below as if the fair value based method of accounting had been used.

The fair value of options granted to employees during the nine month period ended 31 March 2005 amounts to \$2,954,825 (31 March 2004 - \$Nil) and has been determined using the Black-Scholes option pricing formulae.

PALADIN RESOURCES LIMITED AND CONTROLLED ENTITIES
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NOTE 9. CANADIAN GAAP REPORTING (CONTINUED)

(e) Share based employee compensation (continued)

Had compensation costs been expensed for the nine month period ended 31 March 2005, the expense would only be \$1,081,851 (nine month period ended 31 March 2004 - \$Nil) as a result of a vesting period for the options, which would have resulted in a pro-forma net loss of \$2,563,445 and a pro forma basic net loss per share of 0.73 cents for the nine months ended 31 March 2005. The balance of the fair value amount of \$1,872,974 is required to be amortised over the remaining vesting period after 31 March 2005.

(f) Foreign exchange data

All amounts included in these interim consolidated financial statements are reported in Australian dollars. The following table reflects the low and high rates of exchange for one Australian dollar, expressed in Canadian dollars in effect during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada average noon spot rate of exchange.

Nine months ended 31 March	2005	2004
Low for period	0.8854	0.8784
High for period	0.9771	1.0490
Rate at the end of period	0.9349	0.9996
Average noon spot rate for year	0.9354	0.9539

PALADIN RESOURCES LIMITED MANAGEMENT DISCUSSION AND ANALYSIS

NINE MONTHS ENDED 31 MARCH 2005

All figures are in Australian dollars unless otherwise indicated

The following management discussion and analysis for Paladin Resources Limited should be read in conjunction with the Interim Consolidated Financial Statements for the nine months ended 31 March 2005 which are unaudited. The effective date of this report is 12 May 2005.

The financial information presented in this management discussion and analysis has been prepared in accordance with Australian Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory Australian professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

In addition to these Australian requirements further information has been included in the Interim Consolidated Financial Statements for the nine months ended 31 March 2005 in order to comply with applicable Canadian securities law.

Additional information relating to the Company, including the Company's most recent annual report for the year ended 30 June 2004, interim half year report for the six months ended 31 December 2004, and other public announcements is available at www.paladinresources.com.au.

Overview

The Company operates in the resource, financial investment, and property industries in Australia and Africa. The principal business of the Company is the development, evaluation and exploration of uranium projects in Africa and Australia. The Company is incorporated under the laws of Western Australia with a primary listing on the Australian Stock Exchange and an additional listing on the Toronto Stock Exchange.

Uranium Market – Significant Upward Price Pressure

The major shortfall in uranium supply which is expected to manifest itself in the post 2006 period is not likely to be remedied within a decade or more as existing mine production is operating at near maximum capacity and additional mine production above that currently scheduled will be difficult to achieve.

According to the published Ux longer term U₃O₈ price data, long term pricing has moved from US\$18.00/lb in May 2004 to US\$28.00/lb in May 2005 versus a spot price movement of US\$17.85/lb to US\$29.00/lb for the same period, indicating significant upward price pressure in both key aspects of the market.

The strengthening of the uranium price has been reinforced by new players coming into the market particularly Uranium Participation Corp, a Canadian based Company, which has recently raised C\$90,000,000 to purchase up to 3Mlb U₃O₈ from suppliers and, with anticipated increases in uranium prices, hopes to generate profits from the stockpile it plans to accumulate.

Mineral Properties

Langer Heinrich Uranium Project - Namibia

Prior to 30 June 2004, the Company incurred project development, exploration and evaluation expenditure and acquisition costs of A\$768,059 on the Langer Heinrich Uranium Project.

Work Program

A Bankable Feasibility Study for the Langer Heinrich Uranium Project was commissioned in April 2004 and in progress throughout the reporting period. Activities during the nine months ending 31 March 2005 planned and carried out as components of the Bankable Feasibility Study included the following:

- Reverse-circulation drilling program of 6,000 metres to refine the uranium resource model
- Drilling to test a new geological interpretation which indicated the presence of a previously unrecognised mineralised palaeochannel
- Geological logging of drill holes
- Conversion of down-hole gamma logs to U_3O_8 grades
- Submission of samples from all ore intersections for XRF Analysis for U_3O_8 to confirm validity of ore grades derived from down-hole gamma logs
- Recalculation of ore resource estimates on completion of the planned drilling program
- Collection of mineralised drill sample material for ongoing metallurgical testwork
- Analysis of samples for radionuclide decay to confirm estimated disequilibrium (5 to 15%) of the ore
- Metallurgical testwork by Mintek Laboratories in Johannesburg, South Africa
- Pit optimisation studies and development of mining plan and schedule for use in the feasibility study
- Completion of geotechnical studies
- Finalisation of water and electricity supply routes and advance plant and tailings dam design
- Preparation of environmental impact assessment report, including public meetings to elicit public input to the project, and preparation of environmental management plans for the construction and operating phases of the project.

Consultant geophysicist Dr D Barrett was contracted to convert down-hole gamma logs into U_3O_8 grades. Mineral resource specialists Hellman and Schofield Pty Ltd were contracted to carry out the final resource estimation on completion of the drilling. Mining Drilling Solutions was contracted to carry out the pit optimisation studies and develop the mining plan and schedule to be used in the feasibility study.

GRD Minproc co-ordinated and managed the Bankable Feasibility Study and continued with engineering design and planning of civil works. They are a leading international engineering contracting company providing technical and development solutions, project delivery and asset management services to the global mining, minerals processing, infrastructure and waste-to-resource sectors. GRD Minproc maintains an arms length contractor relationship with the Company.

Actual project development expenditure for the nine months ended 31 March 2005 totalled A\$3,461,535.

Future Development

The Langer Heinrich Bankable Feasibility Study has been submitted to the Company by GRD Minproc, the Study Engineers and has been reviewed by both management and the Board of Directors. The Company formally announced the project go ahead on 5 May 2005. Construction

activities are expected to start around July or August 2005. An application has already been lodged for a mining licence covering the Langer Heinrich Uranium Deposit.

Marketing of the uranium product will be ongoing, as are negotiations with financial institutions regarding finance for project development and construction.

Kayelekera Uranium Project - Malawi

Prior to 30 June 2004 the Company incurred exploration and evaluation expenditure and acquisition costs of A\$961,623 on the Kayelekera Uranium Project. A substantial part of this expenditure was incurred in digitising and evaluating the extensive paper-based project database accumulated by the Central Electricity Generating Board of the United Kingdom ("CEGB") which held title to the Kayelekera Uranium Deposit in the 1980's and commissioned a full feasibility study of the project in 1990.

Work Program

Using a revised mining concept that had not been developed at the time of the 1990 feasibility study, and in view of the current uranium price, there are clear indications that an economically viable uranium mining and processing operation can now be established at Kayelekera. A Bankable Feasibility Study is required to confirm project design and project economics before a decision can be made to go ahead with development. Such a study will utilise data from the extensive feasibility studies carried out by CEGB in the period 1982-1990.

Activities during the nine months ending 31 March 2005 were planned as precursors to the Bankable Feasibility Study and included the following:

- Reverse-circulation drilling program of 1,000 metres to better define the resource at the northern end of the orebody
- Diamond drill core program of two holes to provide unweathered samples for ore sorting testwork
- Dialogue with the Government of Malawi to brief senior Government figures on Paladin's proposal for the Bankable Feasibility Study
- Introduce the Company to the local population at Kayelekera and inform them about the project and Paladin's planned activities.

A diamond-drilling rig owned by the Geological Survey of Malawi was contracted to undertake the diamond drilling program and a percussion rig from Resource Drilling International was contracted to carry out the percussion-drilling program.

All holes were radiometrically down-holed logged and selected samples were processed and sent to South Africa for assay for uranium. The mineralised diamond core was split and subjected to bench-scale radiometric ore sorting tests. Ore resource specialists, Hellman & Schofield Pty Ltd, were contracted to compile a new JORC compliant resource estimate.

Actual exploration and evaluation expenditure for the nine months ended 31 March 2005 totalled A\$403,007.

Future Developments

Commencement of a Bankable Feasibility Study ("BFS") on the Kayelekera Uranium Project was announced on 26 April 2005. The study will address resource modelling, mine plan development, process flow sheet, infrastructure, environmental issues, tailings disposal and supply of services.

To support the study Paladin will establish a permanent office in Lilongwe, the capital of Malawi, and a field base at the regional town of Karonga to support on-site activities at Kayelekera and provide a contact point for the local community.

A 4,500-metre reverse circulation drilling program will commence in June 2005 to better define the mineralisation for pit optimisation purposes, increase the currently stated Indicated and Measured Resource base and undertake site sterilisation. 600 metres of diamond drilling will be carried out to obtain samples for metallurgical studies. 6-7 holes will be drilled to provide 2 tonnes of HQ sized drill core for the proposed testwork.

The budget for the BFS and supporting activities is US\$2.3 million. On current scheduling it is anticipated the BFS could be completed and submitted to the Government of Malawi in time to allow project development approval by the end of 2006.

Manyingee and Oobagooma Uranium Projects – Western Australia

Prior to 30 June 2004 for the Manyingee Uranium Project the Company incurred exploration and evaluation expenditure and acquisition costs of A\$1,764,182 on the Manyingee Uranium Project. Prior to the current period to 30 June 2004 for the Oobagooma Uranium Project the Company incurred exploration and evaluation expenditure and acquisition costs of A\$192,987 on the Manyingee Uranium Project. The majority of these expenditures were incurred on acquisition costs, office studies and related activities.

Exploration Program

No technical work was planned or carried out on either the Manyingee or Oobagooma Uranium Projects during the nine months ended 31 March 2005. Property holding costs amounted to A\$18,474 for the Manyingee Uranium Project and A\$534 was spent on the Oobagooma Uranium Project both for the nine months ended 31 March 2005.

Future Developments

The current State Government of Western Australia has a stated policy that it will not allow the development of new uranium mines in Western Australia. While this policy prevails no further work will be planned or undertaken at either Manyingee or Oobagooma.

Financial Investments

The Company continued to hold a A\$800,000 convertible note from Didasko Technologies Pty Ltd for the entire reporting period. This convertible note has a maturity date of 20 November 2006 and accrues interest to the Company at 5% per annum payable upon maturity.

On 10 May 2005 Didasko Limited requested to be suspended from official quotation on the Australian Stock Exchange following the appointment of an Administrator in relation to a dispute with a lender. As at 31 March 2005 the Company has A\$911,907 in financial exposure to Didasko Technologies Pty Ltd, a wholly owned subsidiary of Didasko Limited, in the form of A\$894,438 in convertible note and interest receivable assets; and A\$17,469 in rent receivable assets.

In the Directors' opinion Didasko Technologies Pty Ltd is reliant upon ongoing financial support from its parent entity Didasko Limited, in order to continue as a going concern. It is the Directors' best assessment of the current position that uncertainty exists around the recoverability of the assets as the outcome of the appointment of any Administrator is inherently uncertain. Accordingly at 31 March 2005, the Company has made full provision for non recovery of the

assets. However, the Company will use all legal means available to seek full recovery of the amounts owing from Didasko Technologies Pty Ltd.

On 9 December 2004 the Company announced the sale of non core uranium properties to Deep Yellow Limited ('DYL'). The properties were the Napperby and NE Arunta Projects located in Northern Territory, Australia. The terms of the sale consideration comprised A\$100,000 cash payment, 15,000,000 fully paid ordinary shares in DYL, 25,000,000 1 cent DYL options exercisable on or before 31 December 2007, and a 2% gross royalty. As a result of this sale of non core uranium properties, the Company from 9 December 2004 has a financial investment in DYL shares and options.

Property Industry

During the nine months ended 31 March 2005 the Company maintained its interest in commercial premises located in Belmont, Western Australia. Active negotiations to sell the property have also continued throughout the entire reporting period. On 11 March 2005 an offer and acceptance was signed for the commercial premises for A\$1,200,000 subject to due diligence. On 2 May 2005 this offer became unconditional and settlement is expected in June 2005.

Statements of Financial Performance	Three Months Ended		Nine Months Ended	
	31 March		31 March	
	2005	2004	2005	2004
	A\$	A\$	A\$	A\$
REVENUES FROM ORDINARY ACTIVITIES	127,606	90,556	647,406	704,331
EXPENSES FROM ORDINARY ACTIVITIES	1,289,046	187,223	1,785,803	436,569
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE AND AFTER INCOME TAX EXPENSE	(1,161,440)	(96,667)	(1,138,397)	267,762
Profit/(loss) per share – basic & diluted (Australian cents)	(0.32)	(0.03)	(0.32)	0.10

Nine Months Ended 31 March

Revenues from ordinary activities have declined to A\$647,406 in 2005 as a result of the one off proceeds received in 2004 from sale of investment in ST Synergy Limited of A\$537,555. This net decline in revenue in 2005 has occurred despite the increase in interest revenue and one off proceeds received on the Nortel settlement and sale of Napperby and NE Arunta Project tenements.

Expenses from ordinary activities have increased significantly to A\$1,785,803 in 2005 when compared to 2004 relating to both the A\$911,907 provision for non recovery of assets owing from Didasko Technologies Pty Ltd and the expanded corporate activities attributable to the significant growth of the Company in the last year.

The loss for the nine months ended 31 March 2005 of (A\$1,138,397) compares unfavourably to the profit for the nine months ended 31 March 2004 of A\$267,762 in the main as a result of the one off proceeds received in 2004 from sale of investment in ST Synergy Limited of A\$537,555 and the A\$911,907 provision for non recovery of amounts owing from Didasko Technologies Pty Ltd.

Three Months Ended 31 March

Revenues from ordinary activities have increased to A\$127,606 in 2005 as a result of the increase in interest revenue derived from higher cash holdings of the Company in 2005 when compared to 2004.

Expenses from ordinary activities have increased to A\$1,289,046 in 2005 for the same reasons as the increase for the nine month period ended 31 March 2005.

The loss for the three months ended 31 March 2005 of (A\$1,161,440) compares unfavourably to the loss for the three months ended 31 March 2004 of (A\$96,667) as a result of both the A\$911,907 provision for non recovery of amounts owing from Didasko Technologies Pty Ltd and the expanded corporate activities attributable to the significant growth of the Company in the last year.

Earnings Per Share

The profit or loss per share noted on the Statements of Financial Performance reflected the profit or loss from ordinary activities for the specific reported periods.

Segment Disclosure

The Company operates in the following industry segments - resources, financial investments, and property. In the Statements of Financial Performance in 2005 the Company reflects a more dominant resource focus than in 2004 as a result of the continued divestment of non core financial investment and property industries. The provision for non recovery of amounts owing from Didasko Technologies Pty Ltd has impacted the financial investments segment by A\$894,438 in relation to convertible note and interest receivable assets; and the property segment by A\$17,469 in relation to rent receivable assets.

The Company operates in the following geographic segments – Australia and Africa. In the Statements of Financial Performance in 2005 the Company continued to reflect only the Australian geographic segment as a result of the capital nature of the current African activities.

Statements of Financial Position	31 March 2005 unaudited A\$	30 June 2004 audited A\$
TOTAL CURRENT ASSETS	6,256,282	5,801,668
TOTAL NON CURRENT ASSETS	8,503,944	4,929,392
TOTAL ASSETS	14,760,226	10,731,060
TOTAL CURRENT LIABILITIES	1,984,963	1,320,566
TOTAL LIABILITIES	1,984,963	1,320,566
NET ASSETS	12,775,263	9,410,494
EQUITY		
Contributed equity	28,768,462	24,265,296
Reserves	174,463	174,463
Accumulated losses	(16,167,662)	(15,029,265)
TOTAL EQUITY	12,775,263	9,410,494

Current assets have increased to A\$6,256,282 at 31 March 2005 as a result of the funds received from issue of shares and drawdown of borrowings, exceeding the payments for project development, exploration and evaluation, plant and equipment, and corporate costs. Of the A\$5,095,550 held in cash as at 31 March 2005, A\$4,722,360 has been invested in short term commercial bank bills.

Included in current assets at 31 March 2005 is A\$1,100,208 in property, plant and equipment relating to the commercial premises in Belmont, Western Australia which are classified as assets held for sale.

Non current assets have increased by A\$3,574,552 during the nine months as a result of project development activities for the Langer Heinrich Uranium Project in Namibia, exploration and evaluation activities for the Kayelekera Uranium Project in Malawi, purchase of plant and equipment, and financial investment in DYL shares and options. This increase occurred despite the provision recorded as at 31 March 2005 for non recovery of assets owing from Didasko Technologies Pty Ltd, which impacted non current assets by A\$894,438.

Current liabilities increased to A\$1,984,963 at 31 March 2005 primarily as a result of a A\$500,000 debt drawdown on a loan facility established with Société Générale on 30 September 2004. The facility has a limit of A\$2,000,000 specific to funding the Langer Heinrich Bankable Feasibility Study and has a term of the lesser of three years or establishment of project financing. The security for the facility is a first ranking fixed and floating charge over the assets of the Langer Heinrich Uranium Project. The Company maintains the ability to draw A\$1,500,000 from this facility as at 31 March 2005.

Included in current liabilities at 31 March 2005 is A\$1,136,244 in specific liabilities relating to the commercial premises in Belmont, Western Australia - A\$733,408 in bank loans and A\$402,836 in accounts payable.

Contributed equity increased by A\$4,503,166 during the nine months from both share placements which raised net funds of A\$3,028,166, and proceeds from the exercise of share options which contributed A\$1,475,000. The number of fully paid ordinary shares on issue at 31 March 2005 is 364,885,713, an increase of 31,200,000 during the nine months. Share options of 33,350,000 remain outstanding at 31 March 2005 to Directors, employees, and consultants directly engaged in corporate, project development and exploration and evaluation work for the Company.

Accumulated losses increased to A\$16,167,662 at 31 March 2005 as a result of the loss for the nine months discussed under Statements of Financial Performance above.

Segment Disclosure

In the Statement of Financial Position in 2005 the Company reflects a more dominant resource industry segment than in 2004 as a result of the continued project development, and exploration and evaluation of uranium projects.

In the Statement of Financial Position in 2005 the Company reflected a significant increase in the African geographical segment attributable to the focus on the Langer Heinrich Uranium Project in Namibia, and the Kayelekera Uranium Project in Malawi.

Statements of Cash Flows	Three Months Ended		Nine Months Ended	
	31 March		31 March	
	2005	2004	2005	2004
	A\$	A\$	A\$	A\$
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(204,958)	(110,937)	(417,228)	(116,015)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(1,603,719)	(201,768)	(4,129,177)	102,588
NET CASH INFLOW FROM FINANCING ACTIVITIES	219,542	1,150,930	5,003,253	1,308,845
NET INCREASE/(DECREASE) IN CASH HELD	(1,589,135)	838,225	456,848	1,295,418
Cash at the beginning of the financial period	6,684,685	579,022	4,638,702	121,829
CASH AT THE END OF THE FINANCIAL PERIOD	5,095,550	1,417,247	5,095,550	1,417,247

Nine Months Ended 31 March

Net cash outflows from operating activities increased to (A\$417,228) in 2005 primarily from higher payments to suppliers and employees relating to expanded corporate activities attributable to the significant growth of the Company in the last year.

In 2005 investing activities represented a net cash outflow of (A\$4,129,177) as a result of the Langer Heinrich Uranium Project development, Kayelekera Uranium Project exploration and evaluation, and payments for plant and equipment. This represents a significant change from 2004 where a net cash inflow of A\$102,588 was recorded relating to the A\$537,815 received on sale of investment in ST Synergy Limited.

Net cash inflows from financing activities increased to A\$5,003,253 in 2005 from share placements and proceeds from exercise of share options and borrowings. The number of shares issued in 2005 was 31,200,000 an increase from the 20,750,000 issued in 2004. In 2005 a A\$500,000 debt drawdown was received relating to the Langer Heinrich Bankable Feasibility Study loan facility established with Société Générale on 30 September 2004. No significant debt drawdowns existed in the comparative period for 2004.

Overall the net increase in cash in 2005 was A\$456,848; lower than the net increase in cash in 2004 as a result of increased project development, exploration and evaluation, payments for plant and equipment, and corporate costs; despite higher net cash inflow from financing activities.

The cash at 31 March 2005 of A\$5,095,550 represents a considerable increase in cash for the comparative period of 2004.

Three Months Ended 31 March

Net cash outflows from operating activities increased to (A\$204,958) for the same reasons as the increase for the nine month period ended 31 March 2005.

In 2005 investing activities represented a net cash outflow of (A\$1,603,719) attributable to the same reasons as the increase for the nine month period ended 31 March. This represented a significant increase to the 2004 net cash outflow of (A\$201,768) as a result of higher project activity driven by improved uranium prices in the last year.

Net cash inflows from financing activities decreased to A\$219,542 in 2005 attributable to a reduction in share placement proceeds as less shares were issued when compared to the comparative period in 2004.

Overall the net decrease in cash in 2005 was (A\$1,589,135); in contrast to the net increase in cash in 2004 of A\$838,225 as a result of increased project development, exploration and evaluation, payments for plant and equipment, and corporate costs; and lower net cash inflows from financing activities.

Canadian GAAP

In the Interim Consolidated Financial Statements for the nine months ended 31 March 2005 (unaudited) the Company has presented Canadian GAAP reporting in order to comply with applicable Canadian securities law as a result of listing the Company's ordinary shares on the Toronto Stock Exchange.

The loss for the nine months ended 31 March 2005 of (A\$1,138,397) as reported in the Interim Consolidated Financial Statements prepared in accordance with Australian GAAP has been increased by A\$343,197 to (A\$1,481,594) to accord with Canadian GAAP. This net adjustment relates to the requirements under Canadian GAAP to both account for stock-based compensation issued to non-employees using a fair value-based method of accounting (an expense of A\$357,231), and to reverse the depreciation on the land and buildings assets held for sale (a credit of A\$14,034).

No such adjustments existed for the nine months ended 31 March 2004 and as such the Australian GAAP presentation reflects Canadian GAAP.

Subsequent Events

Equity Placement

On 11 April 2005 the Company announced that a placement of 36 million fully paid ordinary shares at A\$1.05 per share to raise A\$37,800,000 had been successfully completed. National Bank Financial Inc based in Toronto, Canada acted as lead agent with Haywood Securities Inc and the agents received a commission of 2% of the gross proceeds.

The net proceeds from this placement will allow for the early commencement of development for the Langer Heinrich Uranium Project in Namibia.

Board Restructure

On 12 April 2005 the Company announced, effective immediately, the appointments of Messrs Sean Llewelyn and Cliff Davis as independent Non Executive Directors and the resignation of Executive Director, Dr Leon Pretorius.

Kayelekera Uranium Project - Malawi

On 26 April 2005 the Company announced the approval for a Bankable Feasibility Study (BFS) on the Kayelekera Uranium Project in Malawi. The BFS includes in-country logistical and technical support from the Company, with a 4,500m RC drilling programme approved to commence in June 2005. The cost of the BFS including in-country support is anticipated to be US\$2,300,000 with an expected completion date of mid 2006.

Langer Heinrich Uranium Project – Namibia

On 27 April 2005 the Company announced the approval for a 10,000m RC drilling programme to define additional resources which is planned to commence in May 2005 with completion expected by August 2006. This drilling programme does not relate to the BFS which has delineated sufficient uranium resources.

On 9 May 2005 the Company announced that GRD Minproc (Pty) Ltd had finalised and delivered the BFS which demonstrated that the Langer Heinrich Uranium Project is financially and technically viable. The Board has resolved to proceed with development and approved expenditure of US\$20,000,000 for the first phase of project development to November 2005 including front end engineering design work. A mining licence application has been submitted to the Commissioner of Mines in Namibia for approval.

Listing on the Toronto Stock Exchange

On 28 April 2005 the Company announced that the Toronto Stock Exchange had approved the listing of the Company's ordinary shares, and trading commenced on Friday, 29 April 2005. The Company will maintain its existing listing on the Australian Stock Exchange as its primary listing.

Form 52-109FT2 – Certification of Interim Filings during Transition Period

I, John Borshoff, Managing Director of Paladin Resources Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Resources Ltd (the issuer) for the interim period ending 31 March 2005.
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: 12 May 2005



John Borshoff
Managing Director

Form 52-109FT2 – Certification of Interim Filings during Transition Period

I, Ron Chamberlain, Chief Financial Officer of Paladin Resources Ltd, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Paladin Resources Ltd (the issuer) for the interim period ending 31 March 2005.
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: 12 May 2005



Ron Chamberlain
Chief Financial Officer