



PALADIN RESOURCES LTD

A.C.N. 061 681 098

GRAND CENTRAL 1ST FLOOR, 26 RAILWAY ROAD
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

Ref: 36534

28 July 2006

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

Dear Sir / Madam

PALADIN TAKEOVER OFFER FOR VALHALLA ANNOUNCEMENT BY SUMMIT TODAY

Paladin notes today's announcement made to ASX by Summit Resources Limited (**Summit Resources**), is seeking to determine whether Resolute Limited (**Resolute**) and/or Mt Isa Uranium Pty Ltd (a wholly owned subsidiary of Valhalla Uranium Limited (**Valhalla**)) are in material breach of the Isa Uranium Joint Venture Agreement between Summit Resources and Resolute.

Paladin remains confident that none of the mentioned companies have been party to any material breach of its obligations under the Isa Uranium Joint Venture Agreement. Paladin notes that its off-market takeover bid for all the ordinary shares in Valhalla announced in respect of which its bidder's statement was lodged with ASIC on 24 July 2006 is conditional on, amongst other things, there being no breach by any party to the Isa Uranium Joint Venture Agreement of the terms of that agreement.

Paladin will continue to closely monitor developments in the allegations made by Summit and will keep shareholders updated if and when Paladin becomes aware of further material information in relation to this matter.

Yours sincerely
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director