



PALADIN RESOURCES LTD

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

Dear Sir / Madam

CONDITION REGARDING VALHALLA JORC COMPLIANT RESOURCE

Paladin Resources Ltd notes Summit Resources Ltd's and Valhalla Uranium Ltd's announcements today regarding the revised resource estimates for the Valhalla uranium deposit.

Paladin notes that the announcements purport to state JORC compliant resource estimates of 57 million pounds of uranium oxide (U_3O_8). However, Paladin has concerns regarding a number of aspects of the resource reported. In particular, the basis used for calculating the resource estimates appears to be different and difficult to reconcile against previous resource statements. In addition, while reference is made to certain work undertaken by resource estimation consultants Hellman & Schofield, the resource estimates disclosed have been calculated by the operator of the Mt Isa Joint Venture, Summit Resources Limited, and compiled by an executive director of that company.

Paladin is currently considering whether, in light of these matters, the announcements result in the satisfaction of condition 12.8(k) to Paladin's offer for Valhalla (Valhalla resource) and/or the triggering of other conditions to the offer. Paladin proposes to request further information from Valhalla for the purposes of confirming its views on these matters.

Paladin will make a further announcement regarding this issue when it has considered Valhalla's response to that request.

Yours faithfully
Paladin Resources Ltd

John Borshoff
Managing Director