



ASX ANNOUNCEMENT

ACCEPTANCE OF PALADIN RESOURCES OFFER FOR VAHALLA URANIUM AND DEED OF INDEMNITY

Resolute Mining Limited has accepted the Paladin Resources Limited offer for the 100,000,000 shares it holds in Vahalla Uranium Limited.

Resolute Mining has entered into a Deed of Indemnity with Paladin.

Under this Deed, Resolute Mining has indemnified Paladin for any loss it suffers as a result of a material breach of the Isa Uranium Joint Venture Agreement due to disclosure of information concerning the Joint Venture to persons not party to the Joint Venture by Mt Isa Uranium Pty Ltd or Resolute Limited prior to Paladin acquiring control of Mt Isa Uranium Pty Ltd.

The indemnity only applies where Paladin acquires all the issued shares of Valhalla and Resolute Mining's liability is limited to a maximum of \$75million.

Resolute Mining is confident that at all times Mt Isa Uranium and Resolute have complied with the disclosure obligations under the Isa Uranium Joint Venture Agreement.

A handwritten signature in black ink, appearing to read 'P. Sullivan', is positioned above the printed name of Peter Sullivan.

PETER SULLIVAN
Chief Executive Officer

7 September 2006