



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: 40408

7 September 2006

The Manager
Company Announcements Office
Australian Stock Exchange

Dear Sir / Madam

Takeover bid by Paladin Resources Ltd for Valhalla Uranium Limited
Notice of status of defeating conditions

We enclose, by way of service pursuant to paragraph 630(5)(b) of the Corporations Act 2001, the notice of the status of the defeating conditions to the offers required by subsection 630(3) of the Corporations Act 2001.

Yours faithfully
Paladin Resources Ltd

GILLIAN SWABY
Company Secretary

Paladin Resources Ltd ACN 061 681 098

Notice of status of defeating conditions

To: Australian Stock Exchange Limited
Valhalla Uranium Limited ACN 116 370 720 (Valhalla)

Paladin Resources Ltd (**Paladin**) has made offers under an off-market takeover bid for all the ordinary shares in Valhalla (**Offers**). The Offers are contained in a bidder's statement dated 24 July 2006 (as amended and supplemented by its supplementary bidder's statement dated 7 September 2006) (**Bidder's Statement**).

For the purposes of subsection 630(3) of the Corporations Act 2001, Paladin gives notice that:

- (a) it has freed the Offers from the conditions in sections 12.8(b) (No regulatory action), 12.8(c) (Compulsory acquisition), 12.8(d) (No material adverse change), 12.8(e) (Mt Isa), 12.8(f) (No breach, termination or variation of the Mt Isa Agreement), 12.8(g) (No change of control rights), 12.8(j) (Access to information), 12.8(l) (No prescribed occurrences) of the Bidder's Statement;
- (b) so far as it knows, the conditions in sections 12.8(a) (FATA), 12.8(h) (ASX approval to release of Escrowed Shares), 12.8(i) (Consent to quotation) and 12.8(k) (Valhalla resource) of the Bidder's Statement have been fulfilled;
- (c) its voting power in Valhalla is 94.21%.

Date: 7 September 2006