



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: 42094

19 September 2006

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

Dear Sir / Madam

COMPULSORY ACQUISITION OF OUTSTANDING VALHALLA SHARES

Earlier today Paladin Resources Limited commenced the process for compulsorily acquiring the outstanding Valhalla Uranium Ltd shares.

Attached is a copy of a compulsory acquisition notice (ASIC Form 6021) and a copy of the letters being dispatched to the remaining Valhalla Uranium shareholders.

Yours faithfully
Paladin Resources Ltd

RICK CRABB
Director

ASIC registered agent number 502
lodging party or agent name Freehills
Office, level, building name or PO Box No. Level 36, QV.1 Building
street number & name 250 St Georges Terrace
suburb/city Perth state/territory WA postcode 6000
telephone +61 8 9211 7777
facsimile +61 8 9211 7878
DX Number 104 Perth suburb/city Perth
Reference

ASS.	☐	REQ-A	☐
CASH.	☐	REQ-P	☐
PROC.	☐		

Australian Securities & Investments Commission

form **6021**

Notice of

compulsory acquisition following takeover bid

Corporations Act 2001
661B(1)(a)

To *[insert name and address of Valhalla Uranium Limited shareholder]*
Securities of Valhalla Uranium Limited (ABN 73 116 370 720) ("the Company").

- Under an Off Market Bid offers were made by Paladin Resources Ltd (ACN 061 681 098) in respect of the acquisition of all the issues shares in the Company. The offers closed on 15 September 2006.
- You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
- The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.
- Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.
- Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
- The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before the end of the offer period.
- Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 5 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 6 of this notice.

Signature

print name Rick Crabb

capacity Director

sign here



date 19/09/2006

DIRECTIONS

- * Delete whichever does not apply.
- (1) Name and address of holder.
 - (2) Name of target company or body.
 - (3) Name of bidder.
 - (4) Insert description of class of securities to which the bid related.
 - (5) Insert date offers closed or are scheduled to close.
 - (6) Insert paragraph 5 only where alternative terms are included in the offer.
 - (7) Insert details of alternative terms.
 - (8) Set out the terms that will apply.



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19 September 2006

[Insert shareholder name]
[Insert shareholder address line 1]
[Insert shareholder address line 2]

Dear Valhalla Uranium shareholder

Compulsory acquisition of your Valhalla Uranium shares

As you may be aware, Paladin Resources Limited recently made offers to acquire all your Valhalla Uranium Ltd shares. Paladin's offer closed on 15 September 2006.

Paladin received sufficient acceptances of its offer to become entitled to compulsorily acquire all outstanding Valhalla Uranium shares.

This letter encloses the ASIC form required for Paladin to exercise its right to compulsorily acquire your Valhalla shares. Under the compulsory acquisition procedure you will receive one Paladin share for every 3.16 Valhalla shares you hold.

Paladin is required to issue these Paladin shares approximately 6 weeks after the date of this letter. Under the Corporations Act, Paladin must issue these shares to Valhalla Uranium to hold on trust on your behalf pending your instructions on how they are to be dealt with. Shortly after the shares are issued, Valhalla Uranium will send you a letter seeking your instructions on how to deal with the Paladin shares held on trust for you. **You do not need to do anything until you have received this letter from Valhalla Uranium.**

However, notwithstanding the compulsory acquisition process, Paladin will still accept and process completed acceptance forms. Should you require a new acceptance form, please contact Computershare on (+61 8) 9323 2000. By completing and returning the acceptance form, you will receive the Paladin shares due to you earlier than under the compulsory acquisition process.

If you have any queries in relation to the compulsory acquisition of your Valhalla Uranium shares, please contact the Paladin Offer Information Line on 1800 105 944.

Yours faithfully
Paladin Resources Ltd

Rick Crabb
Director