



PALADIN RESOURCES LTD

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Ref: 43540

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The Manager
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir / Madam

Re: Valhalla Uranium Limited – Isa Uranium Joint Venture

Paladin notes today's announcement by Summit Resources Limited of the commencement of legal proceedings in the Supreme Court regarding certain alleged breaches of the Mt Isa Uranium Joint Venture Agreement by Resolute Limited, a wholly-owned subsidiary of Resolute Mining Limited, and Mt Isa Uranium Pty Ltd, which, following the successful takeover of Valhalla Uranium Limited, is a subsidiary of Paladin.

Paladin also notes Resolute Mining Limited's announcement on the same subject matter, which references the indemnity provided by it to Paladin in connection with the proceedings.

At this stage, based on the allegations in the plaintiff's statement of claim, and having regard to the indemnity with Resolute Mining Limited, Paladin does not believe the proceedings are material to Paladin. Paladin will continue to manage its involvement in the proceedings in the ordinary course."

Yours faithfully

John Borshoff
Managing Director