



PALADIN RESOURCES LTD

A.C.N. 061 681 098

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Ref:46774

27 October 2006

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

Dear Sir/Madam

Notice of Annual General Meeting to Shareholders

Attached, please find Notice of Annual General Meeting and Proxy Form as mailed to shareholders with the 2006 Annual Report.

Yours faithfully
Paladin Resources Ltd

GILLIAN SWABY
Company Secretary



PALADIN RESOURCES LTD

ACN 061 681 098

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

MANAGEMENT INFORMATION CIRCULAR

Date of Meeting

21 November 2006

Time of Meeting

4:00pm

Place of Meeting

The University Club of Western Australia
Hackett Drive
Entrance 1, Carpark 3
Crawley, Western Australia, 6009

**PALADIN RESOURCES LTD
ACN 061 681 098**

NOTICE OF ANNUAL GENERAL MEETING

TO THE HOLDERS OF ORDINARY SHARES OF PALADIN RESOURCES LTD:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Paladin Resources Ltd ("**Company**") will be held at The University Club of Western Australia, Hackett Drive, Entrance 1, Carpark 3, Crawley, Western Australia on 21 November 2006 at 4:00pm WST for the purpose of transacting the following business.

AGENDA

BUSINESS

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Meeting.

1.1 FINANCIAL REPORT

To receive the financial report for the year ended 30 June 2006, and the Directors' and Auditors' Reports thereon.

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"To adopt the Remuneration Report for the year ended 30 June 2006."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Resolution 2 – Election of Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Sean Reville Llewelyn be re-elected as a Director".

Resolution 3 – Amendments to the Constitution and Renewal of Clause in Constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That:

- (a) pursuant to section 136 of the Corporations Act, the Company's Constitution be amended as set out in Annexure A to the Explanatory Memorandum accompanying this Notice of Meeting; and*
- (b) subject to the amendments contemplated in paragraph (a) being approved, clause 32 of the Company's Constitution be renewed."*

Resolution 4 – Directors’ Fees

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

“That the total pool of fees payable to directors be increased from A\$400,000 to A\$500,000.”

Voting Exclusions

The Company will in accordance with Listing Rule 10.17 ASX, disregard any votes cast on Resolution 4 by a director of the Company, and an associate of the director. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Executive Share Option Plan

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That the Share Option Plan, a summary of the Rules of which is set out in the Information Circular, and the issue of options in accordance with the Share Option Plan be approved for the purposes of ASX Listing Rule 7.2, exception 9 and for all other purposes.”

Voting Exclusions

The Company will, in accordance with Listing Rule 7.2 Exception 9 of the Listing Rules of the Australian Stock Exchange Limited (ASX), disregard any votes cast on resolution 5 by John Borshoff or any associate of John Borshoff. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Grant of Options to John Borshoff, Managing Director

Subject to Resolution 5 being approved, to consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the issue of up to 3 million options under the Share Option Plan over the next three years to John Borshoff. The terms of issue of the options are set out in the Information Circular and the number of options to be issued will be 1.75 million in 2006 and the number to be

issued in subsequent years is to be calculated in accordance with the following formula:

$$\text{Number of options} = \frac{\text{base salary package} \times 180\%}{\text{Option value based on the binomial tree model}}$$

Voting Exclusions

The Company will, in accordance with Listing Rule 10.15A.6 of the Listing Rules of the Australian Stock Exchange Limited, disregard any votes cast on resolution 6 by John Borshoff or any associate of John Borshoff. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purpose of Resolutions 1 to 6:

"Company" means Paladin Resources Ltd ACN 061 681 098;

"Constitution" means the constitution of the Company, as amended from time to time;

"Corporations Act" means the Corporations Act 2001 (Cth); and

"Director" means a director of the Company.

Other business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

By order of the Board



Gill Swaby

Secretary

Dated: 17 October 2006

PROXIES

A shareholder entitled to attend and vote at the above Annual General Meeting of shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Registered Office of the Company at least 48 hours prior to the Annual General Meeting.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at 5:00pm WST on 17 November 2006 will be entitled to attend and vote at the Annual General Meeting.

If you cannot attend the Meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it prior to 4:00pm Perth time on 19 November 2006. Information in relation to proxy voting is set out in the following documentation.

DATED at Perth, Western Australia, on 17 October 2006.

MANAGEMENT INFORMATION CIRCULAR

17 October 2006

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **PALADIN RESOURCES LTD** (the "Company") for use at the Annual General Meeting of the Company (the "Meeting") to be held on 21 November 2006, and any adjournments thereof, at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting.

VOTING BY PROXIES

This section headed "Voting by Proxies" only applies to registered holders (a "Shareholder") of Ordinary shares of the Company ("Ordinary Shares").

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified in the Notice of Annual General Meeting and any other matters that may properly come before the Meeting. On any ballot, the Ordinary Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. **If a choice is not specified with respect to any matter, the Ordinary Shares represented by a proxy given to management are intended to be voted in favour of the resolutions contemplated herein. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.** Proxies must be delivered prior to 5:00pm Perth time on 19 November 2006 to either of the following:

Computershare Investor Services Pty Limited

GPO Box D182

PERTH WA 6840 AUSTRALIA

Telephone:

Australia: 1300 85 05 05

Overseas: +61 (0) 3 9415 4000

Or Facsimile:

Australia: 08 9323 2033

Overseas: +61 8 9323 2033

Computershare Investor Service Inc

Attention: Proxy General

100 University Avenue

9th Floor

TORONTO, ON M5J 2Y1 CANADA

Telephone: 1-800-564-6253/514-982-7555

Or Facsimile: 1 866 249 7775

Management of the Company are not aware of any amendments to the matters to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to persons who beneficially own Ordinary Shares, as a substantial number of such persons do not hold Ordinary Shares in their own name. Persons who hold Ordinary Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold such securities in their own name (referred to in this section as “Beneficial Holders”) should note that only proxies deposited by persons whose names appear on the records of the Company may be recognized and acted upon at the Meeting. If Ordinary Shares are listed in an account statement provided to a Beneficial Holder by a broker, then in almost all cases those Ordinary Shares will not be registered in the Beneficial Holder’s name on the records of the Company. Such Ordinary Shares will more likely be registered under the names of the broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder.

Without specific instructions, brokers, agents and nominees are prohibited from voting securities for their clients. **Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Ordinary Shares are communicated to the appropriate person by the appropriate time.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of shareholders’ meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Ordinary Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form supplied to a Beneficial Holder by its broker, agent or nominee is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Company (“IICC”). IICC typically supplies a voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to IICC or follow specified telephone voting procedures. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the appropriate Meeting. **A Beneficial Holder receiving a voting instruction form from IICC cannot use that form to vote Ordinary Shares directly at the Meeting - the voting instruction forms must be returned to IICC or the telephone procedures completed well in advance of the Meeting in order to have such shares voted.**

Although Beneficial Holders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Holder may attend at the Meeting as proxy holder for the Shareholder and vote the Ordinary Shares, as the case may be, in that capacity. Beneficial Holders who wish to attend at the Meeting and indirectly vote their Ordinary Shares, as the case may be, as proxy holder for the registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Australian *Corporations Act*, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

PERSONS MAKING THE SOLICITATION

This solicitation of proxies is made by management of the Company. The cost of the solicitation has been and will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of 17 October 2006, the issued and outstanding capital of the Company consists of 496,293,543 Ordinary Shares. Subject to certain exclusions of votes contemplated below, each Ordinary Share is entitled to be voted at the Meeting. On a ballot, each Ordinary Share is entitled to one vote.

The snapshot date for determination of the Shareholders entitled to attend and vote at the Meeting is close of business on Friday 17th November 2006.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED ON

The following information is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting ("**Notice**") of the Company.

The Directors of the Company ("**Directors**") recommend shareholders read this in full before making any decision in relation to the resolutions, in accordance with Section 250R of the Corporations Act 2001(Cth).

Annual Accounts

Appropriate time will be devoted to the consideration of the Financial Statements and Reports of the Company for the year ended 30 June 2006.

Resolution 1 – Remuneration Report

The Board is voluntarily submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report forms part of the Directors' Report included in the 2006 Annual Report. The Report:

- Explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- Explains the relationship between the Board's remuneration policy and the Company's performance;
- Sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- Details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Resolution 2 - Re-election of Mr Sean Reveille Llewelyn as a Director

Resolution 2 seeks approval for the re-election of Mr Sean Reveille Llewelyn as a Director with effect from the end of the meeting.

The Company's Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors must retire from office. Directors, other than the Managing Director, are not able to hold office for a period longer than 3 years before seeking re-election.

Mr Llewelyn retires from office in accordance with this requirement and submits himself for re-election.

Information in respect of each Director is set out below:

Name and Residence	Position with Paladin	Principal Occupations during preceding 5 years	Shareholding (direct and indirect)	Committee Membership
Rick Wayne Crabb Perth, Australia (due for re-election prior to 9 November 2008)	Chairman (27 March 2003 to present); Non-Executive Director (8 February 1994 to present)	Partner: Blakiston and Crabb (1980 to 2004).	8,964,746	Remuneration (Chair) Nomination (Chair)
Sean Reveille Llewelyn Gold Coast, Australia (seeking re-election)	Non-Executive Director (12 April 2005 to present)	None	Nil	Audit Nomination Remuneration
George Edward Pirie Toronto, Canada (due for re-election prior to 9 November 2008)	Non-Executive Director (1 June 2005 to present)	President and CEO: Breakwater Resources Inc. (4 July 2005 to present); Placer Dome Canada (December 2002 to 31 December 2004).	Nil	Audit (Chair) Nomination Remuneration

Name and Residence	Position with Paladin	Principal Occupations during preceding 5 years	Shareholding (direct and indirect)	Committee Membership
Ian Urquhart Noble Gold Coast, Australia (due for re-election prior to 9 November 2008)	Non-Executive Director (29 June 2005 to present)	None	16,000	Audit Nomination
John Borshoff Perth, Australia (not required to seek re-election)	Managing Director	Managing Director of the Company (24 September 1993 to present)	18,091,394	Nomination

Resolution 3 – Amendments to the Constitution and Renewal of Clause in Constitution

Background

At its Annual General Meeting held on 23 November 2004, the Company obtained shareholder approval for, among other things, amendments to its Constitution. One of the amendments approved was the introduction of a new clause 32 to the Constitution relating to partial takeovers.

It has come to the Company's attention that there were a number of inadvertent omissions with respect to the new clause 32 adopted at that meeting so that it is not limited to partial takeovers.

The Company is therefore seeking, pursuant to Resolution 3, shareholder approval to amend the current clause 32 in the Constitution to clarify the Company's position with respect to partial takeover bids and to ensure that the clause will have the effect it was originally intended to have. Accordingly, if shareholders approve Resolution 3, the current clause 32 will be replaced with a new clause 32. The proposed new clause 32 is set out in Annexure A to this Explanatory Memorandum. Shareholders can obtain a full copy of the Constitution by contacting the Company.

The Board unanimously recommend that Shareholders vote to approve Resolution 3 to amend the Constitution as noted below.

(a) Clause 32 – Partial Takeover Plebiscites

It is proposed to insert a new clause 32 into the Constitution to replace the existing clause 32. The proposed new clause 32 requires the Company to refuse to register shares acquired under a partial takeover offer unless a resolution is passed by shareholders approving the offer. Clause 32 ceases to have effect at the end of 3 years unless renewed. Accordingly, the Company is also seeking pursuant to this Resolution 3, to renew this revised clause 32 for a period of 3 years.

(i) Effect of Partial Takeover Approval

The effect of the proposed clause 32 is that if a takeover offer is received for a proportion only of a class of shares in the Company, the Directors are required to convene a meeting of shareholders to vote on a resolution to approve the partial offer. That meeting must be held at least 15 days before the offer closes.

If no resolution is voted on at least 15 days before the close of the offer, such a resolution is deemed to have been approved.

If the resolution is rejected, the registration of any transfer of shares resulting from that partial offer will be prohibited and, under the Corporations Act, the offer will be ineffective.

If clause 32 is adopted, it will expire 3 years after adoption unless renewed by further special resolution.

As at the date of this Explanatory Memorandum, the Directors are not aware of a proposal by a person to acquire a substantial interest in the Company. Further, the Directors are not aware of a proposal by any person to increase the extent of a substantial interest in the Company.

(ii) Potential Advantages and Disadvantages for the Directors and Shareholders of the Company

The procedure available under the proposed clause 32 enables the Directors to formally ascertain the views of shareholders in respect of a partial takeover offer.

This ensures that all shareholders will have an opportunity to study a partial takeover proposal and then attend or be represented by proxy at a meeting of shareholders called specifically to vote on the proposal. A majority of shares voted at the meeting, excluding the shares of the bidder and its associates, is required for the resolution to be passed. This will permit shareholders to prevent a partial takeover offer scheme proceeding if they believe that control of the Company should not be permitted to pass under the scheme, and accordingly the terms of any future partial offer are likely to be structured to be attractive to a majority of shareholders.

It may be argued that the proposal makes a partial offer takeover scheme more difficult to proceed and that, accordingly, such partial offers will be discouraged. This in turn may reduce the opportunities which shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any "takeover speculation" element in the Company's share price. It may also be said that the provisions constitute an additional restriction on the ability of individual shareholders to deal freely with their shares.

The Directors consider that it is in the interests of shareholders to have a right to vote on a partial takeover and therefore recommend the inclusion of clause 32 in the proposed Constitution.

Resolution 4 – Directors' Fees

Shareholder approval is being sought to increase the total pool of fees available from which to pay directors' fees. The quantum is currently set at A\$400,000 per annum, however, given the recent growth of the Company, it is considered that this level needs to be increased. This is necessary to attract and retain directors of a calibre required to effectively guide and monitor the business of the Company.

The Directors' fees have been considered and A\$500,000 has been decided as an appropriate maximum level of Directors' fees. This will also allow for non-executive directors to be remunerated appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

Resolution 5 – Executive Share Option Plan

5.1 Background

This resolution proposes the introduction of an Executive Share Option Plan (“Plan” or “SOP”), a new incentive plan replacing the previous Paladin Executive Share Option Incentive Plan, designed to increase the motivation of key staff (“Eligible Executives”) and create a stronger link between increasing shareholder value and employee reward.

The reasons for the new plan and a summary of the rules of the Plan (“Rules”) follow.

Shareholder approval of the Plan is not required under the Listing Rules of the ASX as the number of shares to be issued fall under the limit in Listing Rule 7.1.

However, in keeping with the Company’s standards of corporate governance, the board of directors seeks to ensure that shareholders are fully informed on, and seeks their agreement to the Company’s long-term incentive arrangements.

Additionally, the Company wishes to exempt issues of securities under the Plan from counting towards the rolling annual limit of 15% of issued ordinary shares prescribed by Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities made without shareholder approval. Shareholder approval of the Plan is therefore sought under Listing Rule 7.2, Exception 9, whereby the shareholders may approve in advance the issue of securities made under the Plan as an exception to the limit under Listing Rule 7.1.

As this is a new Plan, no securities have been issued under the Plan and the Plan has not been previously approved.

5.2 Reasons for the new Plan

To achieve its corporate objectives, the Company needs to attract and retain its key staff a range of excellent people.

Your board of directors believes that grants made to selected Eligible Executives under the proposed Plan will provide a powerful tool to underpin the Company’s employment strategy, and that the implementation of the Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company’s business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- align the financial interests of Plan participants with those of the shareholders; and
- provide incentives to Plan participants to focus on superior performance that creates shareholder value.

5.3 Outline of the Executive Share Option Plan

This section gives a brief outline of how the Board intends to implement initial participation under the Rules of the proposed Plan.

The Rules are summarised in Section 5.4 below.

i) Participation

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long-term incentives to key staff. As well, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to be in a position to issue options in the Company to selected Eligible Executives who, in the opinion of the Board, are able by virtue of their skill and their application in performing their allocated tasks within the Company, to influence the generation of shareholder wealth.

ii) Performance Condition

The Board is cognisant of general shareholder concern that long-term equity-based reward for key staff should be linked to the achievement by the Company of a performance condition.

Options granted to Eligible Executives will be subject to performance conditions determined by the Board. These performance conditions must be satisfied before the options vest.

The Company's performance will be measured over three years from the date of grant. To the extent that maximum performance is not achieved under the performance condition, performance will be retested every six months following the first three years until the end of the fourth year.

The performance condition is Total Shareholder Return ("TSR"), being the change in the share price over the relevant measurement period plus dividends (if any) notionally reinvested in the Company's shares. This is currently the measure most widely utilised by listed companies in their incentive share plans.

As at the date at which performance is evaluated, the TSR of the Company over the measurement period will be compared with the TSR of the resource companies in the S&P/ASX 200 Index listed in descending order, from the highest to the lowest, and ranked accordingly in percentiles. The number of options that vest depends on the TSR percentile ranking of the Company, as set out below.

Ranking in S&P/ASX 200 Index Resources Companies	Percentage of options to vest
Less than 50 th percentile	0%
50 th percentile	50% of options vest
Above the 50 th percentile and below the 75 th percentile	Pro-rata between 50% and 100%
Over the 75 th percentile	100% of options vest

5.4 Summary of the rules of the Plan

A summary of the Rules is set out below. A full copy of the Rules is available from the Company on request. The specific terms of a particular grant will be contained in the offer and associated documentation sent to the Eligible Executive.

- Eligibility – the board of directors have discretion as to who is an Eligible Executive. Non-executive directors are **not** eligible.
- Offers – the board of directors may offer options to Eligible Executives.
- Terms – each option on exercise converts to one fully paid ordinary share.
- Vesting – subject to certain conditions, options vest three years after they are granted or on such other date as determined by the Board.
- Exercise Price – the exercise price of an option will be the market value of a fully paid ordinary share of the Company on the date of grant, or such other date as determined by the board of directors (calculated in accordance with section 139FA of the *Income Tax Assessment Act 1936* (Cth)) but in no case shall the Exercise Price be less than the market value (as defined in the rules of the Toronto Stock Exchange) of a share on the date of grant.
- Exercise of options – options will not be exercisable until those options have satisfied all performance conditions (if any) established by the board of directors unless otherwise determined by the Board.
- Expiry date – the options will have a specified life terminating 5 years after the date of grant or such other date as determined by the Board.
- Transferability – an option granted to an Eligible Executive may be transferred to a specified broker once the option has vested; or by operation of law on death or legal incapacity.
- Lapse of options – unvested options lapse on termination of employment or as determined by the Board. Vested options lapse on the earlier of:
 - o 5 years after the date of grant;
 - o the expiry of 7 days after the participant is terminated for cause;
 - o the expiry of 30 days after the participant resigns;
 - o the expiry of 30 days after the participant sells vested options to a broker;
 - o the expiry of 3 months after the participant is made redundant or employment is terminated by the Company; and
 - o the expiry of 1 year after the participant dies or becomes totally and permanently disabled.
- Takeover or change of control – if either of these events occur in relation to the Company involving more than 50% of the issued shares, then the participant will be entitled to exercise any options.

- Performance condition – the board of directors may determine that, in respect of any grant, options will be exercisable under the Plan only where a performance condition has been met.
- Source of shares – Shares required for the purposes of the Plan are to be sourced by issuing new shares.
- Payment for shares – any costs associated with shares issued for the purposes of the Plan will be paid by the Company. Any exercise price payable on the exercise of an option will be paid by the participant or broker.
- Reconstructions, Bonus and Rights issues – the exercise price of an option will be adjusted in the manner contemplated by the ASX Listing Rules from time to time to take account of rights issues, capital reconstructions and bonus issues.
- Overall 5% Limit Under this Plan – the number of Shares that may potentially be issued pursuant to the exercise of all unexercised options under this Plan, must not exceed 5% of the issued capital of the Company at the time when any grant of options is made.
- Additional Limit to Option Numbers – the number of Shares that may be issued over a rolling 5 year period under **all** of the Company's employee share plans (assuming all options and rights to acquire Shares are fully exercised), must not exceed 5% of the issued capital of the Company at anytime. This limit is applied in accordance with the requirements of the ASIC Class Order 03/184 concerning employee share schemes. In accordance with the Class Order, securities issued to senior managers (which includes directors and senior executives) of the Company are excluded when calculating this 5% limit.
- Amendments to Rules – subject to the provisions of the Plan and the Listing Rules, the Rules may only be amended if such amendment is first approved by resolution of the shareholders of the Company in a general meeting (unless this requirement is waived by the Toronto Stock Exchange, in which case the Board may amend the Rules). However, the Rules may not be amended if, broadly, in the board of directors' opinion the amendment would materially reduce the rights of a participant in respect of options already granted.

A copy of the Rules is available at no cost on request to the Company Secretary.

Resolution 6 – Grant of Options to John Borshoff, Managing Director

Shareholder approval is sought for the grant of up to 3 million options, to John Borshoff, the Managing Director of the Company, pursuant to the Plan as described in Resolution 5. Shareholder approval is required under ASX Listing Rule 10.14 because John Borshoff is a Director of the Company.

The denominator of the formula used to calculate the number of options to be issued relies on the “binomial tree model” which is an internationally recognised model that is used by the Company to value options for accounting charge and disclosure purposes.

John Borshoff founded the Company and was appointed as a Director on 24 September 1993. John Borshoff faces considerable ongoing responsibilities and challenges in his role within the Company as its Managing Director. The grant of these options will provide a long term incentive for outstanding performance and promote his opportunity for share ownership in the Company.

The non-executive Directors are of the view that the overall remuneration for John Borshoff, including the proposed grant of options, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of John Borshoff and market levels of remuneration for people in his position in similar sized companies.

Listing Rule 10.15A requires this Notice of Meeting to include the following information in relation to the options which may be granted to John Borshoff pursuant to the Plan.

- The maximum number of options which may be issued pursuant to this approval to John Borshoff under the SOP over the three year period commencing on the date of this meeting is 3 million options. It should be noted that this is the maximum possible number of options that could be **issued** under the SOP. The exact number of options that **vest** is dependant on the performance condition discussed at paragraph 5.3(ii) above.
- The options are to be issued at a nil issue price.
- The exercise price will be the market value of a share in the Company, as at the date of grant (refer to paragraph 5.4 above).
- The Plan is a new plan in which Eligible Executives will participate for the first time upon approval by shareholders. Accordingly, there are no directors nor associates of directors who have previously received options under the Plan.
- Pursuant to the terms of the SOP, any employee (including John Borshoff) of the Company determined by the Board is eligible to participate in the SOP.
- There is no loan scheme in relation to the Plan.
- Details of any options issued under the Plan will be published in each annual report of the Company relating to the period in which options have been issued together with a statement that approval for the issue of Shares was obtained under Listing Rule 10.14. Any additional persons referred to in Listing Rule 10.14 (including directors and their associates) who become entitled to participate in the Plan after shareholders have approved Resolution 6 and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- The options will be issued no later than three years after the date of this meeting or further shareholder approval (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following executive compensation disclosure is provided in respect of the Company's Managing Director, Chief Financial Officer and Executive General Manager - Operations and Development (each a "Named Executive Officer") for the Company's three most recently completed financial years. No other executive officer of the Company or its subsidiaries earned in excess of C\$150,000 during the financial period covered by the following table.

		Annual Compensation			
Name and Principal Position	Year	Salary (A\$)	Other Annual Compensation (A\$)		
			Superannuation	Bonus	Consulting Fees
John Borshoff (Managing Director)	June 2006	488,415	11,585	200,000	-
	June 2005	64,736	5,826	-	218,184
	June 2004	25,000	-	-	105,017
Ron Chamberlain* (Chief Financial Officer)	June 2006	162,500	11,585	-	-
	June 2005	81,667	7,350	-	-
Garnet Halliday* (Executive General Manager - Operations and Development)	June 2006	459,625	11,585	-	-
	June 2005	226,576	6,758	-	-

* Commenced employment 1 December 2004

Option Grants During the Most Recently Completed Financial Year

The following table discloses individual grants of options to purchase or acquire securities of the Company made during the most recently completed financial year to each of the executive officers named in the Summary Compensation Table.

Name	Securities Under Options Granted (#)	Percent of Total Options Granted to Employees in Financial Year	Exercise or Base Price (A\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (A\$/Security)	Expiration Date
John Borshoff	Nil	Nil	Nil	Nil	Nil
Ron Chamberlain	200,000	4.33	A\$2.80	A\$2.30	13 January 2009
Garnet Halliday	Nil	Nil	Nil	Nil	Nil

Aggregated Options Exercised During Most Recently Completed Financial Year and Financial Year-End Option Values

The following table discloses all options exercised during the most recently completed financial year by each Named Executive Officer and the financial year end value of unexercised options on an aggregated basis.

Named Executive Officer	Securities Acquired on Exercise (#)	Aggregate Value Realized (A\$) (refer to (a) below)	Unexercised Options at FY - End (#) Exercisable / Unexercisable	Value of Unexercised in the money Options at FY-End (\$) Exercisable / Unexercisable
John Borshoff	3,500,000	A\$14,985,000	3,750,000 (i)	A\$11,662,500
Ron Chamberlain	Nil	Nil	800,000 (i) 200,000 (ii)	A\$2,675,000
Garnet Halliday	Nil	Nil	3,000,000 (i)	A\$9,080,000

(a) This value refers to the difference between the market value of the shares underlying the options at the date of exercise and the exercise price of the options.

(i) Exercisable

(ii) Unexercisable

Employment Contracts

The Company has entered into employment contracts with each of John Borshoff, Ron Chamberlain and Garnet Halliday on the following terms and conditions:-

Mr John Borshoff, *Managing Director*

- Term of agreement – 3 years commencing 1 March 2005 renewable for a further 2 year term subject to agreement.
- Base salary, inclusive of superannuation, A\$400,000 increased to A\$600,000 effective 1 January 2006.
- Payment of a benefit on retirement or early termination by the Company, other than for gross misconduct, equal to 2 times base salary for the two years immediately preceding the termination date. This benefit was approved by the Company shareholders on 9 November 2005.

Mr Garnet Halliday, *Executive General Manager - Operations and Development*

- Term of agreement – no fixed term.
- Base salary, inclusive of superannuation, of A\$400,000 + 20% expatriate allowance from 1 August 2005 to be reviewed annually, together with standard expatriate benefits.
- No termination benefit is specified in the agreement.

Mr Ron Chamberlain, *Chief Financial Officer*

- Term of agreement – no fixed term.
- Base salary, inclusive of superannuation, of A\$151,585 increased to A\$196,585 effective 1 January 2006.
- No termination benefit is specified in the agreement.

Composition Of The Remuneration Committee

The Remuneration Committee, on behalf of the Board of Directors, monitors compensation of executive officers of the Company. The Remuneration Committee was formed on 1 June 2005 and comprises Rick Crabb (non-executive Chairman), Sean Llewelyn (Independent Director) and George Pirie (Independent Director). Prior to this date this function was carried out by the entire Board. The Remuneration Committee periodically reviews the

compensation paid to directors and management based on such factors as time commitment, comparative fees paid by similar companies in the industry and the level of responsibility.

The responsibilities and functions of the Remuneration Committee are as follows:

- review the competitiveness of the Company's executive compensation programs to ensure:
 - (a) the attraction and retention of corporate officers;
 - (b) the motivation of corporate officers to achieve the Company's business objectives; and
 - (c) to align the interest of key leadership with the long-term interests of the company's shareholders.
- review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans.
- review the performance of executive management.
- review and approve Chairman and Managing Director goals and objectives, evaluate Chairman and Managing Director performance in light of these corporate objectives, and set Chairman and Managing Director compensation levels consistent with company philosophy.
- approve the salaries, bonus and other compensation for all senior executives, the Committee will recommend appropriate salary, bonus and other compensation to the Board for approval.
- review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management.
- review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board.
- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the Committee under those plans, including making and authorising grants, in accordance with the terms of those plans.
- review periodic reports from management on matters relating to the Company's personnel appointments and practices.

Report On Executive Compensation

This report on executive compensation has been prepared by the Remuneration Committee.

The Remuneration Committee, on behalf of the Board of Directors, monitors compensation of Directors and Executives of the Company.

Generally, compensation is provided by the Company to its Executives (including the Managing Director), by way of base salary, short-term bonus, granting of employee options and superannuation. The overall objective is to ensure that remuneration is fair and reasonable and sufficient to attract and retain qualified and experienced Directors and Executives.

The compensation program for the Executives of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective Executives;
- (b) motivating their short and long-term performance; and
- (c) aligning their interests with those of the Company's shareholders.

In line with Corporate Governance principles, Non-executive Directors are remunerated solely by way of fees and statutory superannuation. The total pool of fees available is set by shareholders in general meeting.

Given the evolving nature of the Company's business, (particularly as production start-up is scheduled for the 2006/2007 financial year) the Remuneration Committee continues to review and redesign the overall compensation plan for all employees so as to continue to address the objectives identified above. It is currently undertaking a review with the assistance of external consultants to both revise the share option plan and determine parameters for the payment of cash bonuses to be made in the next financial year, following commencement of production.

As a result of the evaluation and development nature of the Company's activities the overall level of compensation does not focus on the earnings of the Company.

Directors' Fees

At the 2005 Annual General Meeting, shareholders approved an increase in the total pool of fees available to be paid to Non-executive Directors to \$400,000. Given the expansion of the Board and the growth of the Company such an increase was considered necessary to attract and retain directors of a calibre required to effectively guide and monitor the business of the Company.

Fees payable to Non-executive Directors are set at A\$80,000 per annum, effective 1 November 2005, inclusive of any superannuation obligations. Exceptions to this fee structure are the Chairman of the Audit Committee who receives an additional A\$5,000 per annum, and the Chairman of the Board who receives an additional A\$35,000 per annum. The increased fees were arrived at on the basis of a review by external independent remuneration consultants looking at companies with similar market capitalisation.

In addition, the Company's Constitution provides for additional compensation to be paid if any of the Directors are called upon to perform extra services, including services as consultants or experts, or make any special exertions on behalf of the Company or the business of the Company. The Directors may compensate such Director in accordance with such services or exertions, and such compensation may be either in addition to or in substitution for the Directors' fees referred to above.

Remuneration paid to Non-executive Directors during the year ended 30 June 2006 comprised the following:-

Name and Principal Position	Fees (A\$)	Superannuation (A\$)
Rick Crabb (Non-Executive Chairman)	85,627	7,706
Sean Llewelyn (Non-Executive Director)	61,162	5,505
George Pirie (Non-Executive Director)	75,417	Nil
Ian Noble (Non-Executive Director)	61,162	5,505

Note: there were additional no fees paid during the year to any Director for consulting services.

Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer is approved annually by the Board of Directors. Base cash compensation levels are based on market survey data. Compensation also includes participation in the Company's stock option plan. Compensation paid to the Managing Director is set out in the Summary Compensation Table.

Base Salary

The first step to attracting and retaining talented, qualified and effective Executives is paying base salaries which are competitive in the markets in which the Company operates. Competitive salary information on companies of a comparable size in the resource industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

Expatriate Benefits

Executives who are required to fulfil their responsibilities as an expatriate receive benefits including health insurance, housing and car allowances, educational fees and tax advisory services.

Short-term Bonus

The Company provides short-term bonuses to Executives of up to 20% of base salary. In respect of the Managing Director, a bonus of up to 100% of base salary can be achieved, to be determined by the Remuneration Committee having consideration to outcomes achieved during the year.

Outcomes to be considered include:

- acceptable safety and environmental performance by the Group;
- completion of the Kayelekera Bankable Feasibility Study;
- increases in uranium resource under Company control;
- continued successful recruitment of senior personnel;
- increase in market capitalisation;
- acquisition of new projects; and
- achievement of financial budget targets.

The short-term bonuses are based on achieving the following measures where these are applicable to the specific Executive:

- (a) performance of the Company in meeting its objectives;
- (b) additional uranium resources delineated;
- (c) financial performance of the Company;
- (d) increase in market capitalisation of the Company; and
- (e) such other matters determined by the Remuneration Committee in its discretion.

These measures have been selected to align the interests of Executives with shareholders. The Remuneration Committee is responsible for assessing whether the measures are met and will take into account, amongst other things, the progress of the Company in meeting its objectives, the increase in uranium resources, the financial performance of the Company, and the growth in market capitalisation.

The short term bonus payments may be adjusted up or down in line with under or over achievement against the measures. This is at the discretion of the Remuneration Committee.

Company Employee Share Incentive Option Plan

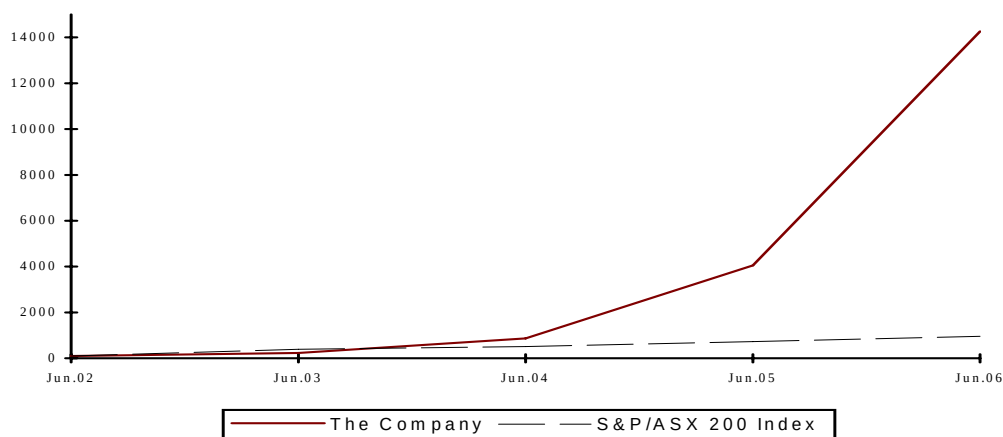
The Company believes that encouraging its Executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's employee option plan which is currently under review to more appropriately deal with the Company's emerging producer status. Options are granted to Executives taking into account a number of factors, including the amount and term of options previously granted, base salary, short-term bonuses and competitive factors. Vesting of options will be subject to attainment of targeted measurements aligned with Total Shareholder Return. One feature will be a minimum vesting period of 3 years.

During the financial year, a number of options were granted to attract high calibre executives, in what continues to be a highly competitive and tight market for human capital. These options granted during the year included specific vesting periods.

The Company's policy prohibits hedging of options granted under share option plans. Prohibited hedging practices include put/call arrangements over "in money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of a share option plan and inconsistent with shareholder objectives.

Performance Graph

The overall level of compensation takes into account the growth in shareholder wealth of the Company. The chart below compares, assuming an initial investment of \$100, the yearly percentage change in the cumulative total shareholder return on the Company's Ordinary Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Company's five most recently completed financial years.



	30 June 2002	30 June 2003	30 June 2004	30 June 2005	30 June 2006
The Company	A\$100.00	A\$35.15	A\$468.26	A\$4,055.63	A\$14,260.41
S&P/ASX 200 Index	A\$100.00	A\$94.09	A\$109.85	A\$133.01	A\$157.77

Compensation of Directors

Please refer to the section titled "Report on Executive Compensation" above.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table summarizes relevant information as of 30 June 2006 with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column
Equity compensation plans approved by security holders	Nil	Nil	Nil
Equity compensation plans not approved by security holders	24,215,000	A\$1.52	21,208,571
Total	24,215,000	A\$1.52	21,208,571

INCORPORATING INFORMATION BY REFERENCE

In respect of the disclosure requirement in Canada under National Instrument 58-101 relating to disclosure of corporate governance practices of the Company, the Company has previously made this disclosure in its 2006 Annual Report. As such, the Corporate Governance Statement contained in the 2006 Annual Report is incorporated by reference into this Management Information Circular.

The 2006 Annual Report is filed on www.asx.com.au and on SEDAR at www.sedar.com. Copies of the 2006 Annual Report will be provided free of charge to shareholders of the Company upon written request of the Company.

AVAILABILITY OF DOCUMENTS

In addition to as otherwise contemplated herein, the Company will provide to any person, upon request to the Company Secretary, one copy of the following documents (i) the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Company's most recently completed year in respect of which such financial statements have been issued, together with the report of the auditors thereon, Management's Discussion and Analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements and (ii) the Notice of Meeting and Explanatory Memorandum filed with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge by any person or company who is not a security holder of the Corporation, and who requests a copy of such document. Additionally, copies of publicly filed information concerning the Company can be found at www.asx.com.au or at www.sedar.com.

APPROVAL OF THIS INFORMATION CIRCULAR

The contents and the sending of this Information Circular have been approved by the directors of the Company.

By order of the Board



Gillian Swaby
Company Secretary

GLOSSARY

"**ASIC**" means the Australian Securities and Investments Commission;

"**ASX**" means the Australian Stock Exchange Limited;

"**Board**" means the board of Directors;

"**Company**" or "**Paladin**" means Paladin Resources Ltd ACN 061 681 098;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Listing Rules**" means the Listing Rules of ASX;

"**Notice**" means the Notice of Annual General Meeting accompanying this Explanatory Memorandum;

"**Shares**" means fully paid ordinary shares in the Company; and

"**WST**" means Australian Western Standard Time.

ANNEXURE A – AMENDMENTS TO CONSTITUTION

The proposed amendments to the Company's Constitution under Resolution 3 are as follows:

Delete current clause 31 and insert a new clause 32 as follows:

"32. APPROVAL OF PROPORTIONAL TAKEOVER BIDS

32.1 Resolution to Approve Proportional Takeover Bid

Where offers have been made under a proportional takeover bid in respect of Shares included in a class of shares in the Company:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution (in this clause 32.1 referred to as an "**approving resolution**") to approve the proportional takeover bid is passed in accordance with the provisions of this Constitution;*
- (b)*
 - (i) a person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to one vote for each of the last mentioned shares;*
 - (ii) the bidder or a person associated with the bidder is not entitled to vote on an approving resolution; and*
 - (iii) an approving resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; and*
 - (iv) an approving resolution, being a resolution that has been voted on, is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one half, and otherwise is taken to have been rejected.*

32.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 32.2 as if the last mentioned meeting was a general meeting of the Company.*
- (b) Where takeover offers have been made under a proportional takeover bid, the Directors are to ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this clause 0 before the approving resolution deadline specified by sub-section 648D(2) of the Corporations Act ("**approving resolution deadline**").*

32.3 Notice of Resolution

Where a resolution to approve a proportional takeover bid is voted on in accordance with this clause 32 in relation to the proportional takeover bid, before the approving resolution deadline, the Company is, on or before the approving resolution deadline:

- (a) to give to the bidder; and*
- (b) to serve on each relevant financial market in relation to the Company,*

a notice in writing stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed, or has been rejected, as the case requires.

32.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the approving resolution deadline no resolution to approve the proportional takeover bid has been voted on in accordance with this clause 32, a resolution to approve the proportional takeover bid is to be, for the purposes of this clause 32, deemed to have been passed in accordance with this clause 32.

32.5 Takeover Resolution Rejected

Where a resolution to approve a proportional takeover bid under which offers have been made is voted on, in accordance with this clause 32, before the approving resolution deadline and is rejected, then:

- (a) notwithstanding Section 652A of the Corporations Act, all offers under the proportional takeover bid that have not as at the end of the approving resolution deadline, been accepted, and all offers (in this clause 32.5 referred to as the "**accepted offers**") under the proportional takeover bid that have been accepted and from whose acceptance binding contracts have not, at the end of the approving resolution deadline, resulted, are deemed to be withdrawn at the end of the approving resolution deadline;*
- (b) the bidder is, forthwith after the end of the approving resolution deadline, to return to each person who has accepted any of the accepted offers any documents that were sent by the person to the bidder with the acceptance of the offer;*
- (c) the bidder is entitled to rescind, and is required, forthwith after the end of the approving resolution deadline, to rescind, each contract resulting from the acceptance of an offer made under the proportional takeover bid; and*
- (d) a person who has accepted an offer made under the proportional takeover bid is entitled to rescind the contract (if any) resulting from that acceptance.*

32.6 Renewal

This clause 32 ceases to have effect on the third anniversary of the date of the adoption or last renewal of this clause 32."



PALADIN RESOURCES LIMITED
ACN 061 681 098

All correspondence to:
Paladin Resources Ltd
PO Box 201
Subiaco 6904 Western Australia
Telephone +618 9381 4366
Facsimile +618 9381 4978
www.paladinresources.com.au



Mark this box with an 'X' if you have made any changes to your address details (see reverse)

This proxy is solicited on behalf of the Management of Paladin Resources Ltd. (the "Corporation") for use at the General Meeting of the Shareholders of the Corporation to be held at The University Club of Western Australia, Hackett Drive, Entrance 1, Carpark 3, Crawley, Western Australia on Tuesday, 21 November 2006 at 4:00pm WST.

Name: _____

Address: _____

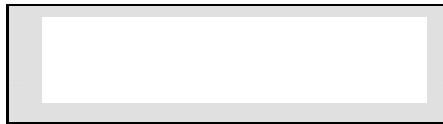
APPOINTMENT OF PROXY

I/We being a member/s of Paladin Resources Ltd and entitled to attend and vote hereby appoint



the Chairman
Of the Meeting
(mark with an 'X')

OR



Write here the name of the person you are
appointing if this person is **someone other**
than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Paladin Resources Ltd to be held at The University Club of Western Australia, Hackett Drive, Entrance 1, Carpark 3, Crawley, Western Australia, on Tuesday, 21 November 2006 at 4:00pm WST and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

Ordinary Business

For Abstain* Against

Item 1	Remuneration Report	☐	☐	☐
Item 2	Re-election of Director – S Llewelyn	☐	☐	☐
Item 3	Amendments to the Constitution and Renewal of Clause in Constitution	☐	☐	☐
Item 4	Directors' Fees	☐	☐	☐
Item 5	Executive Share Option Plan	☐	☐	☐
Item 6	Grant of Options to John Borshoff, Managing Director	☐	☐	☐

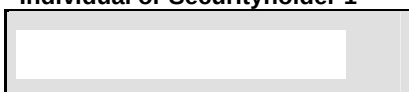
- If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you do not wish to direct your proxy how to vote, please place a mark in this box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the above resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.



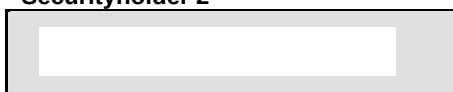
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



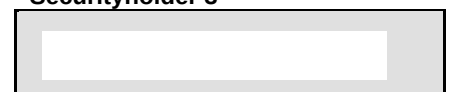
**Sole Director and
Sole Company Secretary**

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

Contact Name

Contact Daytime Telephone

____/____/____
Date

HOW TO COMPLETE THE PROXY FORM

1 Your Name and Address

*This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.***

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. The Chairman intends to vote in favour of resolutions for which no voting indication has been given.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

6. Lodgement of a Proxy and Deadline for Receipt of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 19 November 2006 at 4:00pm WST. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post, delivery or facsimile to the Registered Office of Paladin Resources Ltd:

**Grand Central
1st Floor, 26 Railway Road
Subiaco WA 6008
or PO Box 201
Subiaco WA 6904
or by facsimile to fax number 08 9381 4978**