



2 November 2006

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

Dear Sir / Madam

**COMPULSORY ACQUISITION OF OUTSTANDING VALHALLA SHARES**

Earlier this week Paladin Resources Limited completed the process for compulsorily acquiring the outstanding Valhalla Uranium Ltd shares.

Attached is a copy of the letters being dispatched to the former Valhalla shareholders whose Valhalla shares were acquired under that process.

Yours faithfully  
Valhalla Uranium Ltd

A handwritten signature in black ink, appearing to read 'G. Swaby', with a stylized flourish at the end.

Gillian Swaby  
Company Secretary



2 November 2006

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

Dear Sir or Madam

**Compulsory acquisition of your Valhalla Uranium shares**

As you may be aware, as a result of the recent takeover bid by Paladin Resources Limited (**Paladin**) for Valhalla Uranium Ltd (**Valhalla**), Paladin acquired over 90% of the Valhalla shares. Consequently, Paladin became entitled to, and has proceeded to, compulsorily acquire the remaining Valhalla shares which it did not already own under the statutory regime contained in Part 6A.1 Division 1 of the Corporations Act.

Paladin has now completed the compulsory acquisition.

According to our records, you were one of the Valhalla shareholders from whom Paladin compulsorily acquired Valhalla shares. As a result of this acquisition, you are no longer a Valhalla shareholder.

Paladin has provided the consideration due to you for your Valhalla shares to Valhalla. Accordingly, Valhalla gives notice that it is currently holding that consideration on trust for you pending your instructions. The consideration to which you are entitled is set out in the enclosed Claim Form.

We cannot transfer the consideration to you without your formal instructions. Accordingly, would you please complete the enclosed Claim Form and return it in accordance with the instructions shown on the form. This will let us know that you would like the consideration to be transferred to you at the address specified at the top of the Claim Form.

If you have any queries in relation to this process, please contact Rod Some at Computershare Investor Services Pty Ltd on (08) 9323 2000 (overseas residents: +618 9323 2000).

Yours faithfully  
Valhalla Uranium Ltd

A handwritten signature in black ink, appearing to read 'G. Swaby'.

Gillian Swaby  
Company Secretary

# Payment Instruction Form

Compulsory acquisition of your Valhalla Uranium Limited



**All correspondence to:**

Computershare Investor Services Pty Limited  
GPO Box D182 Perth  
Western Australia 6840 Australia  
Enquiries (within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 9323 2033  
web.queries@computershare.com.au  
www.computershare.com

| Number of VUL shares<br>formerly held | Xxxx PDN shares @<br>PDN share per xxxx<br>VUL shares | SRN / HIN |
|---------------------------------------|-------------------------------------------------------|-----------|
|                                       |                                                       |           |

## Direction as to disposal of consideration

I/We, the person(s) named above, instruct Valhalla Uranium Limited ACN 116 370 720 (**Valhalla**) to transfer the consideration it is currently holding on trust for me as a result of the compulsory acquisition of my Valhalla shares by Paladin Resources Ltd (ACN 061 681 098) by:

- transferring to me/us the Paladin Resources Ltd shares it is currently holding on trust for me.

## Release and discharge

I/We, the person(s) named above, agree that the payment and/or transfer of the consideration described above will be a complete release and discharge of all obligations of Valhalla to me/us in respect of the acquisition of my/our shares in Valhalla and that Valhalla will not be responsible for any loss of documents in the ordinary course of post.

Please refer to the instructions on the reverse for completion of this form and then sign and date here.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

|     |   |       |   |      |
|-----|---|-------|---|------|
| Day | / | Month | / | Year |
|-----|---|-------|---|------|

Please provide a business hours telephone number so we can contact you if necessary

## Instructions For Completion

1. Please check that your address details are correct. If the details are incorrect, please alter the details by hand and initial the changes.
2. Please sign and date this form in the spaces provided.

(a) **Joint Shareholders**

All shareholders must sign this form.

(b) **Corporations**

Corporations may execute this form in any way allowed by law. If required, the Corporation's seal must be affixed.

(c) **Power of Attorney and Deceased Estates**

If this form is signed under power of attorney, or by the executors or administrators of a deceased estate, the relevant power of attorney, probate or letters of administration, together with any other documents required by law, (or certified copies of those documents) must be attached.

If this form is signed under power of attorney, the attorney declares that they have no notice of revocation of that power.

(d) **Trust or Partnership**

The signatory must produce the trust instrument, partnership agreement or other authority (or a certified copy of it) to act in that capacity acceptable to Valhalla Uranium Limited.

Shareholders should fax, mail or deliver their completed form as soon as possible to:

**Postal Address**

Paladin Resources Ltd  
C/- Computershare Investor Services Pty Ltd  
GPO Box D182  
PERTH WA 6840

or

**Street Address**

Paladin Resources Ltd  
C/- Computershare Investor Services Pty Ltd  
Level 2  
45 St Georges Terrace  
PERTH WA 6000

Facsimile: (08) 9323 2033

Overseas shareholders are urged to return their completed form by airmail and not use the Reply Paid Envelope supplied.