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Ref: 54445

27 February 2007

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Announces Takeover Offer for Summit Resources Limited

Paladin Resources Ltd (**ASX: PDN, TSX: PDN**) ("Paladin") is pleased to announce an off-market scrip takeover bid ("Offer") for Australian and New Zealand Stock Exchange-listed exploration company Summit Resources Limited (**ASX: SMM, NZSE: SMM**) ("Summit").

This announcement follows confirmation last week that Paladin has signed a Development Agreement with the Government of The Republic of Malawi, received Board approval for construction of the Kayelekera Uranium Project and is targeting an annual production profile of 7Mlbs U₃O₈ per annum by 2009 (including the Langer Heinrich post Stage II expansion).

The consideration under the Offer will comprise 1 fully paid ordinary Paladin share for every 2.04 fully paid ordinary Summit shares, implying a price of A\$5.12 per Summit share based on the volume weighted average price ("VWAP") of Paladin shares on the ASX over the 5 trading days prior to the date of this announcement of \$10.44 per share.

The Offer values Summit at approximately A\$1,011 million and provides an attractive premium of approximately 34% to the VWAP for Summit shares on the ASX over the 10 trading days prior to the date of this announcement (see "Offer Terms" below).

The Offer is conditional only on Toronto Stock Exchange consent to quotation of Paladin shares to be issued under the Offer on that exchange, consent from Paladin's lenders (both of which are expected to be obtained promptly) and on the absence of 'prescribed occurrences'. There is no minimum acceptance condition to the Offer.

Summit is a Western Australian based exploration company with interests in uranium, copper, gold, phosphate and iron ore exploration projects in northwest Queensland. The most advanced project in Summits portfolio is the Valhalla uranium deposit situated near Mount Isa. The Valhalla deposit, together with Skala is part of the Isa Uranium Joint Venture Agreement ("IUJV"), of which Summit is manager and holder of a 50% interest. Paladin holds the other 50% interest in the IUJV.

Summit also holds interests in uranium projects in the Mount Isa and Georgina Basin areas, iron ore deposits in the Constance Range formation and various base metal and gold exploration assets in Queensland.

The proposed takeover represents a significant step forward in Paladin's growth strategy. Paladin believes that a 100% interest in the Valhalla/Skal deposits will further strengthen the post-2012 development opportunity at Mt Isa. Paladin notes the recent public comments by Summit suggesting that it will commence uranium production by early to mid 2010 (assuming the Queensland State Government reverses its policy stance so as to permit uranium mining in that State). Paladin's view, based on its own development experience and understanding of the likely development process in Queensland should uranium mining be allowed, is that a target of production commencing in or after 2012 is a more realistic expectation.

By accepting the Offer, Summit shareholders will become shareholders in a uranium producing company which enjoys excellent exposure to current strong uranium pricing and has no legacy pre-2006 sales contracts.

Summit shareholders who accept the Offer will also retain significant exploration upside, retain upside exposure to potential changes in Australian uranium mining policy, inherit a management team and board with the requisite skills and demonstrated ability to bring a uranium mine into production and obtain increased liquidity of their investment through Paladin shares.

Paladin Managing Director, John Borshoff, said the proposed acquisition allows an opportunity to further enhance Summit's assets, with a proven and experienced Board and management team. Apart from Paladin, worldwide very few companies have demonstrated the ability to deal with the unique facets involved in the development of a uranium mine. "Summit has an attractive portfolio of Australian uranium deposits that will complement Paladin's extensive asset base. The Valhalla/Skal deposits are ore bodies with sizeable resources and acceptable grades. While ultimate development of the resource depends on a change of policy in Queensland, Paladin looks forward to progressing the exploration and appraisal of Valhalla/Skal and the other deposits to ensure readiness if and when this policy change occurs." Concurrently, Paladin can develop its next uranium mine at Kayelekera in Malawi to continue progressive enhancement in the Company's shareholder value.

Paladin's strong balance sheet and upcoming operating cash flow will support the development of Summit's uranium assets and the eventual unlocking of the upside potential at the Valhalla/Skal, Andersons and other Mount Isa deposits.

Paladin's financial advisers in respect of the Offer are Azure Capital and its legal advisers are Freehills.

Offer Terms

The Offer to Summit shareholders is 1 Paladin share for every 2.04 Summit shares.

The Offer is to acquire all of each Summit shareholder's holding.

Based on the VWAP for Paladin shares on the ASX over the 5 trading days prior to the date of this announcement of A\$10.44 per share, the implied value of the Offer is A\$5.12 per Summit share. This represents:

- a 28.0% premium to the closing price for Summit shares of A\$4.00 on the last trading day prior to the date of this announcement;

- a 30.3% premium to the VWAP for Summit shares of A\$3.93 in the 5 trading days prior to the date of this announcement; and
- a 36.9% premium to the VWAP for Summit shares of \$3.74 in the 15 trading days prior to the date of this announcement.

The Offer is subject to the following conditions* (in addition to the statutory condition relating to quotation of Paladin Shares):

- TSX consenting to the quotation of Paladin Shares issued under the Offer on that exchange;
- Paladin's lender's consent; and
- The absence of 'prescribed occurrences'.

The Offer has already received approval from the Foreign Investment Review Board.

* The above is a summary only. Full terms of the conditions are set out in the Bidder's Statement.

Indicative Timetable

Paladin will today lodge a Bidder's Statement in connection with the Offer with the Australian Securities and Investments Commission. Following is an indicative timetable for the Offer**:

Expected date of lodgement of Bidder's Statement	Tuesday 27 th February 2007
Expected Date of Offer	Tuesday 13 th March 2007
Expected Offer close (unless extended or withdrawn)	5.00pm (Perth, Western Australia time) on Monday 16 th April 2007

** The specified dates are indicative only and, subject to the Corporations Act, may be varied.

Background Information – Paladin Resources Ltd

Paladin Resources Ltd is listed on both the Australian Stock Exchange and the Toronto Stock Exchange under the symbol "PDN" with subsidiary listings on the Munich Stock Exchange, Berlin-Bremen Stock Exchange, Stuttgart Stock Exchange and Frankfurt Stock Exchange under the symbol "PUR".

Paladin operates in the mineral resource sector with its focus solely on uranium exploration and development. Paladin has projects in Australia and Africa. The African projects are Langer Heinrich in Namibia (100% Paladin) and Kayelekera in Malawi (to be 85% Paladin and 15% Republic of Malawi). The Australian projects are Manyingee and Oobagooma in Western Australia (both 100% Paladin), Valhalla and Skal (50% interest in IUJV with Summit) in Queensland and Bigrlyi (41.7% interest in joint venture with Energy Metals Limited and Southern Cross Exploration NL) in the Northern Territory.

Yellowcake production commenced in December 2006 at the Langer Heinrich Uranium Project which is located in the west of central Namibia. It lies 80km east of the major deepwater seaport at Walvis Bay and the coastal town of Swakopmund, and is 40km south of the Rio Tinto Rossing mine. Worldwide, this is the first complete new conventional uranium mining operation to come into production in a decade. First sales are expected to be made in early 2007.

On completion of the Langer Heinrich drilling programme in 2006, a new resource estimate was determined. The JORC and NI 43-101 compliant Measured and Indicated Resource at a cut off grade of 250ppm is now stated at 37.2Mt grading 0.06% for a total of 22,570t or 49.8Mlbs and Inferred Resources of 43.4 Mt grading 0.06% for a total of 25,360 t or 55.9Mlbs U₃O₈.

The Kayelekera Deposit is located in northern Malawi in southern Africa. In 2006 Paladin contracted mineral resource specialists Hellman and Schofield Pty Ltd to complete a new resource estimate on the Kayelekera Uranium Project under the JORC and NI 43-101 Codes. This work indicates the JORC and NI 43-101 compliant Resources in the 300ppm cut off ranges:

- 15.3Mt of ore at 0.09% U₃O₈ containing 13,615t or 30Mlbs U₃O₈ (Measured and Indicated)
- 3.4Mt of ore at 0.06% U₃O₈ containing 2,040t or 4.5Mlbs U₃O₈ (Inferred)

A Development Agreement has been entered into with The Republic of Malawi, which will provide a 10-year fiscal and operational stability period for the Kayelekera project. The Bankable Feasibility Study by GRD Minproc (Pty) Ltd of South Africa, has been completed and shows that the Kayelekera project is financially and technically viable, with an 11 year project life. The Paladin Board has approved project development and preliminary works have already commenced, which will keep the project on schedule for the proposed start-up in September 2008. Kayelekera is expected to produce 3.3Mlbs per annum of U₃O₈ for the initial 7 years and 1.17Mlbs per annum U₃O₈ for the last 4 years. The application for grant of a 25 year Mining License has been submitted to the Ministry of Mines and Energy in Malawi.

In December 2006 Paladin released a NI 43-101 compliant resource report for the Valhalla and Bigirlyi deposits, conducted by Hellman & Schofield Pty Ltd.

The Valhalla Uranium Deposit is located 40km northwest of Mount Isa on EPM9221. The JORC and NI 43-101 compliant resource estimate in the 230ppm cut off ranges reported for the Valhalla uranium deposit is as follows and as previously announced:

- 21.3Mt of ore at 0.08% U₃O₈ containing 16,900t/37.4Mlbs U₃O₈ (Indicated). Paladin's share is 18.7Mlbs.
- 12.0Mt of ore at 0.075% U₃O₈ containing 9,000t/19.6Mlbs U₃O₈ (Inferred). Paladin's share is 9.8Mlbs.

The Skala uranium deposit, 10 kilometres east of Valhalla has also been drill tested with significant contained uranium identified in mineralisation of a similar style to Valhalla. This deposit (as reported by Summit) has a historical estimate of uranium mineralisation at a cut off grade of 230ppm of 4.2Mt at between 0.10% U₃O₈ and 0.13% U₃O₈ for 11.0Mlbs U₃O₈. Paladin's share is 50% or 5.5Mlbs.

Paladin has recently issued US\$250 million convertible bonds, the net proceeds of which will be used to advance the development of the Kayelekera Project in Malawi, establish a uranium marketing subsidiary, fund opportunities as they arise to support acquisitions and corporate growth and for general corporate purposes. Paladin's uranium marketing subsidiary will, amongst other things, establish its own uranium inventory to afford the Paladin Group flexibility and stability of ongoing supply, in a dynamic uranium market.

Paladin has continued to build a high quality management team with excellent experience in uranium marketing; major project finance; development and construction; operations and corporate governance.

Yours faithfully
Paladin Resources Ltd

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

JOHN BORSHOFF
Managing Director

Contact Details

For further information please visit www.paladinresources.com.au

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