PALADIN

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Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

- **Disappointing Summit Resource Estimates**
- **Queensland Policy Uncertainty**

Paladin Resources Ltd ("Paladin") noted two developments with respect to Summit Resources Limited ("Summit") on Friday 30th March.

1. Disappointing Summit Resource Estimates for Andersons and Watta

After the close of market on Friday 30th March, Summit announced JORC compliant resource estimates for Andersons and Watta. These are disappointing results and unfortunately, Summit chose not to provide a comparison with the historical resources for these two deposits which it had previously reported in its Target Statement on 20th March 2007.

The revised Andersons inferred resource was estimated to contain 4.7 Mlbs of U_3O_8 at a grade of 2.31 lbs/t using a cut-off grade of 0.50 lbs/t. This compares with the historical resource reported in Summit's Target Statement of 4.63 Mlbs of U_3O_8 at a grade of 3.68 lbs/t using a cut-off grade of 1.10 lbs/t. **Even though Summit has reduced the critical cut-off grade (by 55%) in this resource estimate the contained uranium has effectively stayed constant and the grade has decreased by 37%.**

The revised Watta inferred resource was estimated to contain 4.2 Mlbs of U_3O_8 at a grade of 0.81 lbs/t using a cut-off grade of 0.25 lbs/t. This compares with the historical resource reported in Summit's Target Statement of 4.2 Mlbs of U_3O_8 at a grade of 1.00 lbs/t using a cut-off grade of 0.65 lbs/t. **Again, even though Summit has reduced the cut off grade (by 62%) in this resource estimate, the contained uranium has stayed constant and the grade has decreased by 19%.**

Table One below highlights these resource comparisons between the historical and more recent JORC resources estimates of Andersons and Watta. It also includes the Summit 50% owned Valhalla deposit for context.

Table One – Results of Three Resource Estimates by Summit

Andersons (100% Summit)	**Historical Resource At 1.10 lbs/t cut off (SMM Target Statement)**	**JORC Resource At 0.50 lbs/t cut off (SMM 30/3/07 Release)**	**Change**
Tonnes Ore (mt)	1.25	2.0	60% increase
Grade (lbs U_3O_8 /t)	3.68	2.31	37% decrease
Grade (% U_3O_8)	0.17	0.105	
Contained U_3O_8 (Mlbs)	4.63	4.7	1.5% increase
Watta (100% Summit)	**Historical Resource At 0.65 lbs/t cut off (SMM Target Statement)**	**JORC Resource At 0.25 lbs/t cut off (SMM 30/3/07 Release)**	**Change**
Tonnes Ore (mt)	4.2	5.2	24% increase
Grade (lbs U_3O_8 /t)	1.00	0.81	19% decrease
Grade (% U_3O_8)	0.05	0.037	
Contained U_3O_8 (Mlbs)	4.2	4.2	No change
Valhalla (50% Summit)	**Historical Resource At 0.65 lbs/t cut off (SMM March 06 Pres)**	**JORC Resource At 0.25 lbs/t cut off (SMM 22/8/06 Release)**	**Change**
Tonnes Ore (mt)	20.48	33.3	63% increase
Grade (lbs U_3O_8 /t)	2.76	1.70	38% decrease
Grade (% U_3O_8)	0.125	0.077	
Contained U_3O_8 (Mlbs)	56.45	57.0	1% increase

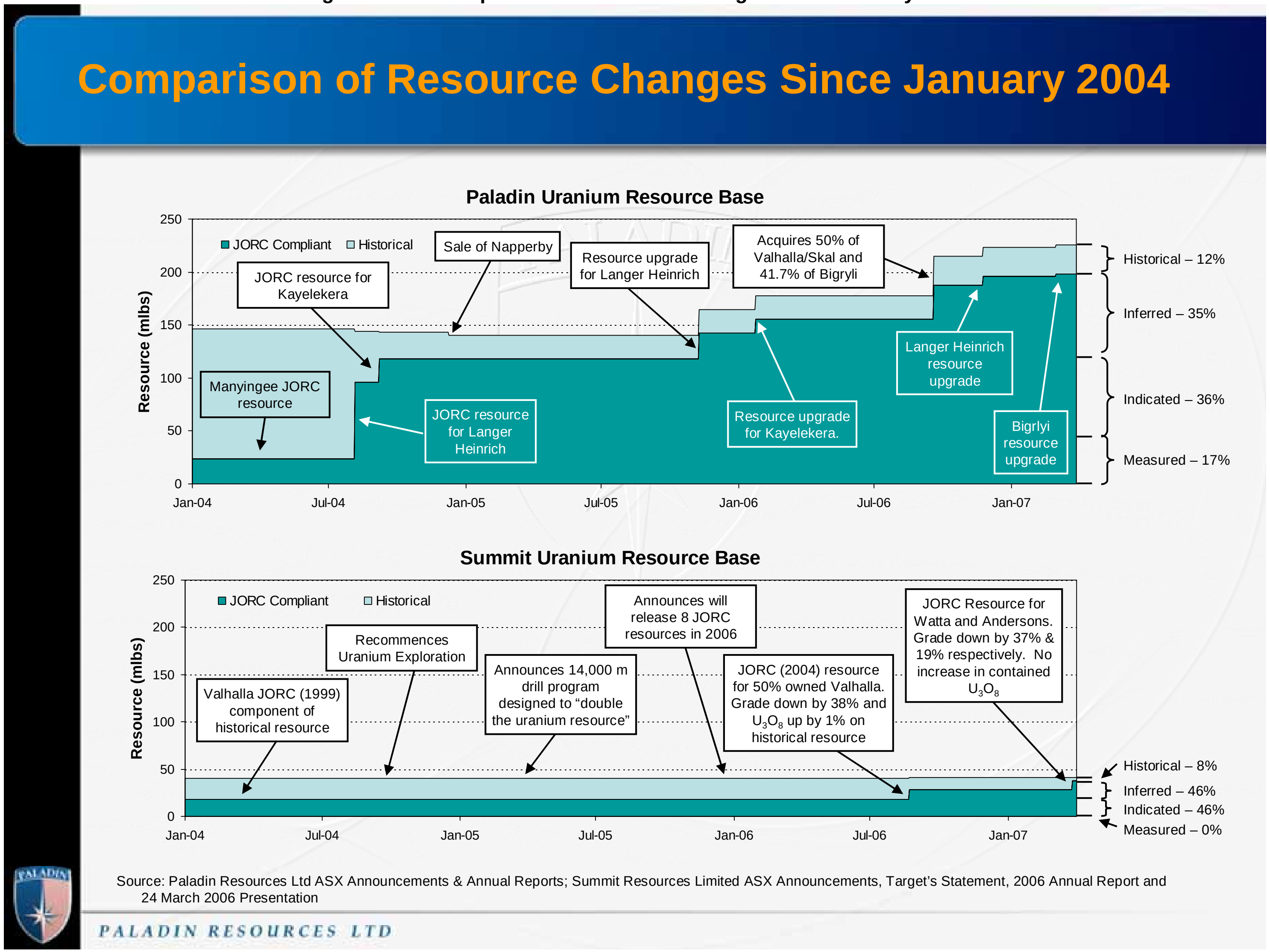
Paladin Managing Director, John Borshoff, commented:

"It is no surprise to us that these disappointing results were released after market close on Friday, out of the glare of the media. A consistent theme seems to be emerging. Summit has now announced two of the promised six JORC resources on its 100% owned properties and, in each case, there has been no increase to the historical reported metal inventory. Yet, in each case, there has been a drop in grade – 37% for Andersons and 19% for Watta. Rather than demonstrating any resource upside at Mt Isa, **Summit's efforts since October 2004 seem to be directed at retaining the historical resource by lowering the cut-off grades to critical levels**."

"Summit shareholders should compare Summit's results from the last three years with those of Paladin (see Figure One below). This shows a stark contrast in performance and delivery and while different deposits will have different resource potential, nonetheless we believe this comparative performance demonstrates why Summit shareholders would benefit by allowing Paladin to manage the exploration and development activities at Mt Isa going forward."

"Paladin's intention would be to focus resource definition and extension activities on the Valhalla and Skal deposits which not only provide 88% of the currently stated resources but have the best opportunity to provide the bulk of the uranium required to support a development project. Future work must prioritise and concentrate on the 50:50 Joint Venture as the main opportunity. The remaining 100% Summit owned deposits and prospects are marginal at this stage and while showing potential will take much longer to explore and resolve. Any resources from these satellite prospects of Summit are unlikely to have a material impact on project decision for go ahead."

Figure One – Comparison of Resource Changes Since January 2004



2. Queensland State Policy Uncertainty

Local and National media reports on Friday 30th March (AAP, ABC, Courier Mail) indicated an important development in the debate over Uranium mining in Queensland. The Queensland Premier, Mr Beattie, qualified comments made recently in Africa. He had earlier stated that Queensland would comply should the Federal Labor Party Conference (scheduled for 27th-29th April 2007) reverse the "no new mines" policy. However, last week, Mr Beattie indicated that he has received reports that the Federal Labor Party leader, Mr Rudd, would put a motion to the conference framed in such a way as to allow individual states the final say on mining of uranium. **He went on to say that should this be the case, then Queensland's current stance against approval of Uranium mining would stay in place**.

Paladin Managing Director, John Borshoff stated that "Paladin expects considerable debate and uncertainty in Queensland, irrespective of what the Federal Labor party conference decides in late April. This is one of the many reasons Paladin has warned the market that production at Mt Isa will take longer than the 2010 timeframe promised by Summit, even if the Queensland State Government gives the green light to uranium mining this year."

"Paladin's early focus will be on getting the deposits defined to a level where feasibility studies can commence. This will concentrate on resource upgrades on Valhalla and Skal and exploring the potential of the Summit 100% owned prospects. Given this, any uncertainty in the near term will not significantly affect its own schedule or focus for the Mt Isa region. However, those Summit shareholders who are expecting that Summit will be producing by 2010 as suggested by the Summit board should seriously re-consider that outlook. Paladin's position is that Summit's schedule is impossible to achieve for both technical and political reasons. Indeed, there would now appear to be a very real risk that there will be no change to Queensland State Government policy on uranium mining in the near term."

3. Summit shareholders should accept Paladin's offer

Mr Borshoff said that these two developments were a further indication of the compelling nature of Paladin's takeover bid. Paladin is offering one of its shares for every 2.04 Summit shares, valuing Summit at $4.77 based on the closing price of Paladin shares on 30 March 2007.

"Summit has failed to demonstrate any upside potential in its historical resources at Andersons and Watta that would justify its claim that our offer undervalues the company. The Queensland Government's wavering support further shows that there is tremendous value in the risk diversification provided by the bid.

"We urge all Summit shareholders to take the opportunity to mitigate risk and realise a healthy premium to market by swapping into Paladin shares."

Paladin's bid is due to close on 16 April 2007, unless extended.

Yours faithfully
Paladin Resources Ltd

John Borshoff
Managing Director