

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PALADIN RESOURCES LIMITED
Note – Report in US dollars following the change in functional and presentation currency to US dollars in December 2006. Includes the impact of the Valhalla Group from 7 September 2006 and the Summit Group from 27 April 2007

ABN

47 061 681 098

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

		Current quarter US\$'000	Year to date US\$'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(2,220)	(8,560)
	(b) development		
	(c) production	(12,761)	(12,761)
	(d) administration	(15,155)	(25,964)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2,550	6,854
1.5	Interest and other costs of finance paid	(7,217)	(7,225)
1.6	Income taxes paid		
1.7	Sundry income	29	41
	Net Operating Cash Flows	(34,774)	(47,615)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	(4,259)	(13,241)
	(c) other fixed assets	(24,639)	(88,920)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments	-	592
	(c) other fixed assets	26	187
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Cash acquired on acquisition of controlled entities net of payments made for acquisition	19,443	21,323
	Third party uranium purchase	(33,375)	(33,375)
	Net Investing Cash Flows	(42,804)	(113,434)
1.13	Total operating and investing cash flows (carried forward)	(77,578)	(161,049)

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1.13	Total operating and investing cash flows (brought forward)	US\$'000 (77,578)	US\$'000 (161,049)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	243	7,206
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	3,369	299,620
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	(222)	(7,774)
	Debt facility establishment and share issue costs		
	Net Financing Cash Flows	3,390	299,052
	Net increase (decrease) in cash held	(74,188)	138,003
1.20	Cash at beginning of quarter/year to date	256,940	43,644
1.21	Exchange rate adjustments to item 1.20	34	1,139
1.22	Cash at end of quarter	182,786	182,786

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter US\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	390
	Summit Resources Ltd payments to directors and associates included from 27 April 2007, the acquisition date by Paladin Resources Ltd	1,122
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for administration (1.2(d)) in the current quarter include US\$9.6m in cash outflows for the Summit takeover defence activities from 27 April 2007, the acquisition date by Paladin.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter Paladin Resources Limited completed an off-market takeover bid for Summit Resources Limited. The takeover bid had a final share exchange ratio of 1 Paladin share for 1.67 ordinary shares in Summit. The bid closed on 1 June 2007 with Paladin holding 81.8% of Summit and as a consequence 100,542,514 shares have been issued during the quarter (see 7.4(a)) – note that 550,815 shares were issued during the previous quarter in relation to the Summit bid.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available US\$'000	Amount used US\$'000
3.1 Loan facilities	71,000	66,588
3.2 Credit standby arrangements	-	-

US\$250m convertible bonds issued on 15 December 2006 with a coupon rate of 4.5% maturing 15 December 2011 at a conversion price of US\$7.685 per share.

Estimated cash outflows for next quarter

	US\$'000
4.1 Exploration and evaluation	3,000
4.2 Development	31,000
Total	34,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter US\$'000	Previous quarter US\$'000
5.1 Cash on hand and at bank	4,345	3,077
5.2 Deposits at call	12,854	29,604
5.3 Bank overdraft	-	-
5.4 Other (provide details) Short Term US Treasuries and Deposits	165,587	224,259
Total: cash at end of quarter (item 1.22)	182,786	256,940

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	602,373,298	602,373,298		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	300,000 100,542,514	300,000 100,542,514	A\$1.00 A\$9.51	A\$1.00 A\$9.51
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,570,000 7,000,000 190,000 2,820,000 1,565,000 1,400,000 2,733,670 400,000		Exercise price A\$1.00 A\$1.00 A\$1.50 A\$2.80 A\$5.50 A\$5.50 A\$8.77 A\$8.77	Expiry date 30.11.07 20.12.07 15.07.08 13.01.09 28.04.09 05.07.09 01.02.12 29.06.12
7.8 Issued during quarter	400,000		A\$8.77	29.06.12
7.9 Exercised during quarter	300,000		A\$1.00	30.11.07
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

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7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 July 2007

(Company secretary)

Print name:

Gill Swaby

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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