

**NGM Resources Limited**

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2 September 2010

Australian Securities Exchange
Company Announcements Office

ELS 2 2011

Paladin Takeover Offer - Target's & Bidder's Statement

NGM Resources Limited (NGM) has sent its target's statement to Paladin Energy Ltd (Paladin) in response to the bidder's statement sent to it by Paladin on 2 September 2010 in relation to a bid to acquire all of the ordinary fully paid shares in NGM.

In accordance with section 633(1) item 14 of the Corporations Act 2001 (Cth), we enclose a copy of NGM's target's statement.

Also enclosed is a copy of Paladin's bidder's statement in respect of its takeover offer, which will shortly be sent to NGM Shareholders together with NGM's target's statement.

NGM has established a Shareholder Information Line which NGM shareholders may call if they have any queries in relation to Paladin's takeover offer. The telephone number for the Shareholder Information Line is 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia) from Monday to Friday, during normal business hours.

For further information, please contact:**Media**

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This is an important document and requires your immediate attention.
You should read this document in its entirety.
If you are in any doubt about how to deal with this document, you should contact your
broker, financial adviser or legal adviser immediately.

NGM Resources Limited

ACN 107 131 653



Target's Statement

ACCEPT

This Target's Statement has been issued in response to the off-market takeover bid made by Paladin Energy Ltd ACN 061 681 098 for all the ordinary shares in NGM Resources Limited.

The Directors of NGM Resources Limited unanimously recommend that you **ACCEPT** the Offer by Paladin Energy Ltd to acquire all your ordinary shares in NGM Resources Limited in the absence of a superior proposal.

The Offer closes at 5.00 pm (AWST) on 8 October 2010, unless extended or withdrawn. Please call the Shareholder Information Line on 1800 656 743 (within Australia) or +61 2 8004 4305 (outside Australia) if you require assistance.

Financial Adviser



Legal Adviser

CORRS
CHAMBERS
WESTGARTH
lawyers

Shareholder Information Line

NGM has established a Shareholder Information Line which Shareholders may call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia) from Monday to Friday, during normal business hours.

Further information relating to the Offer can be obtained from NGM's website at www.ngmresources.com.au.

Important information

This document is a Target's Statement issued by NGM under Part 6.5 Division 3 of the Corporations Act in response to Paladin's Bidder's Statement and the Offer and is dated 2 September 2010.

A copy of this Target's Statement was lodged with ASIC on 2 September 2010. Neither ASIC nor its officers take any responsibility for the content of this Target's Statement.

Investment advice

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 8 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

Key dates

Announcement Date	Wednesday, 21 July 2010
Date of Offer	6 September 2010
Offer closes (unless extended or withdrawn)	5.00 pm AWST on 8 October 2010

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Letter from the Chairman



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2 September 2010

Dear Shareholder

Takeover offer by Paladin Energy Limited

As a shareholder of NGM Resources Limited (the **Company** or **NGM**), you will be aware that on 21 July 2010, Paladin Energy Limited (**Paladin**) announced its intention to make an off-market takeover offer for your NGM Shares (**Offer**).

This Target's Statement relates to that Offer and is provided in response to Paladin's Bidder's Statement also dated 2 September 2010.

The consideration being offered by Paladin for your NGM Shares is 1 new fully paid ordinary Paladin Share for every 23.9 NGM Shares held.

Your Directors consider the Offer to provide significant benefits to Shareholders. It represents a significant premium to the NGM share price immediately prior to the Offer being announced, and will enable Shareholders to retain exposure to NGM's uranium projects, as well as benefit from Paladin's broader portfolio of uranium projects in Australia and Africa.

The Offer implied a value of \$0.15 per NGM Share based on the market price of Paladin and NGM Shares on their last trading day prior to the Offer being announced to the ASX on 21 July 2010, representing a premium of:

- 61% to NGM's closing price on 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer;
- 60% to the volume weighted average price of NGM Shares for the 30 trading days up to 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer; and
- 44% to the volume weighted average price of NGM Shares for the 90 trading days up to 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer.

The implied price of the Offer will vary with movements in the underlying price of Paladin Shares.

In addition, your Directors believe there are a number of significant benefits for Shareholders if the Offer is successful and Paladin acquires 100% of NGM.

These benefits include:

- an interest in any future success of NGM's uranium projects through a shareholding in Paladin, a larger and more diversified company, with greater financial capacity to fund future growth;

- much greater liquidity by owning shares in Paladin, an S&P/ASX 100 Index company; and
- a management team and board with the requisite skills and demonstrated ability to explore, develop and operate uranium operations.

The Directors of NGM unanimously recommend that you ACCEPT Paladin's Offer in the absence of a superior proposal. Each of the Directors intends to accept Paladin's Offer in respect of their own shareholding, in the absence of a superior proposal.

The Directors strongly recommend that you read this Target's Statement in its entirety and in conjunction with Paladin's Bidder's Statement that is enclosed with this Target's Statement.

You should consider the Offer having regard to your own investment objectives, financial situation and tax position and, if in doubt about what to do, consult your independent legal, financial or other professional adviser.

A list of frequently asked questions is set out in section 4 but if you still have questions about the Offer after reading this document, please call the Shareholder Information Line on 1800 656 743 (within Australia) or +61 2 8004 4305 (from outside Australia).

Yours sincerely



Dr Geoffrey Loftus-Hills
Chairman

Section 1 | How to accept the Offer

You should read this Target's Statement and the Bidder's Statement before making a decision to accept the Offer.

Depending on the nature of your holding, you may accept the Offer in the following ways:

For CHESS Holdings of NGM Shares

(ie your Holder Identification Number commences with an 'X'- please refer to the Acceptance Form which accompanied the Bidder's Statement)

If your NGM Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant (eg your broker) to accept the Offer in accordance with Rule 14.14 of the ASX Settlement Rules; or
- complete, sign and send the Acceptance Form (which accompanied the Bidder's Statement) in accordance with the instructions on it.

For Issuer Sponsored Holdings of NGM Shares

(ie your Securityholder Reference Number commences with an 'I' – please refer to the Acceptance Form which accompanied the Bidder's Statement)

If your NGM Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your NGM Shares, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

For Participants

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

To validly accept the Offer for your NGM Shares, your acceptance must be received before 5:00 pm (AWST) on 8 October 2010, unless the Offer Period is extended.

Section 2 | Why you should accept the Offer

2.1 Summary of the Offer

The consideration being offered by Paladin under the Offer is 1 Paladin Share for every 23.9 NGM Shares held. The Offer is subject to a number of conditions which are set out in full in section 10.12 of the Bidder's Statement and summarised in section 6.2 of this Target's Statement.

The Offer is open for acceptance until 5.00 pm (AWST) on 8 October 2010, unless the Offer Period is extended.

The detailed terms of the Offer are contained in the Bidder's Statement, and a summary of the Offer terms are contained in section 6 of this Target's Statement.

2.2 Directors recommendation

Your Directors unanimously recommend that you accept the Offer, in the absence of a superior proposal, for the reasons set out in this section.

In considering whether to accept the Offer, your Directors encourage you to:

- read this Target's Statement and the Bidder's Statement;
- consider the future prospects of Paladin and NGM as a merged entity compared to the future prospects of NGM (as a separate entity);
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial adviser about the Offer and obtain taxation advice on the effect of accepting the Offer.

Your Directors consider the key advantages of accepting the Offer are as follows

(a) The Offer represents a significant premium to recent trading prices of NGM Shares

Based on the respective closing prices of \$3.58 and \$0.093 for Paladin Shares and NGM Shares immediately before the Announcement Date, the Offer implied an offer price of \$0.15 per NGM Share to Shareholders, which represented a premium of:

- 61% to NGM's closing price on 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer;
- 60% to the volume weighted average price of NGM Shares for the 30 trading days up to 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer; and
- 44% to the volume weighted average price of NGM Shares for the 90 trading days up to 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer.

Shareholders should be aware that the implied value of the Offer will fluctuate with changes in the Paladin Share price during the Offer Period. Shareholders can obtain information about Paladin's latest share price from the ASX website at www.asx.com.au (ASX Code: PDN).

(b) Shareholders will retain an interest in any future success of NGM's uranium projects

Shareholders will retain an interest in any future success of NGM's uranium projects through a shareholding in Paladin. Paladin is a larger and more diversified company with greater financial capacity to fund the future growth of NGM's uranium projects.

Paladin has an extensive and diverse portfolio of uranium projects in Australia and Africa, ranging from exploration projects through to producing assets.

Paladin is producing uranium from its 100% owned Langer Heinrich Mine in Namibia, and has recently declared its Kayelekera Mine in Malawi (where Paladin has an 85% interest in the subsidiary which owns the mine) to be in commercial production. In the previous financial year the Paladin Group produced 4.32Mlbs U₃O₈, and sold 3.73Mlbs U₃O₈ generating US\$202 million in revenue for the Paladin Group. Paladin is now targeting production of 7Mlbs U₃O₈ in the current financial year. By accepting Paladin's offer, Shareholders will share in the benefits associated with Paladin's growing production profile.

Paladin has indicated that, based upon publicly available information and subject to conducting a review of NGM's assets from a strategic and financial perspective after the end of the Offer Period, it presently intends to retain, and continue to evaluate, explore and if viable develop, all of NGM's uranium assets located in Niger. Paladin is in a much stronger financial position to carry out these activities than NGM. As at 30 June 2010, NGM had only approximately \$1,462,000 in cash available to continue advancing its portfolio of exploration projects. Accordingly, your Directors consider that the Company's ability to continue funding the growth of the company as a stand-alone entity may be challenging in the current financial markets.

Paladin's intentions with respect to NGM and its projects are set out in section 5 of the Bidder's Statement.

(c) Shareholders will enjoy much greater liquidity by owning shares in an S&P/ASX 100 Index company

With a market capitalisation in excess of \$2.7 billion as at 1 September 2010 (being the last practicable date prior to lodgement of this Target's Statement with ASIC), Paladin is currently included in the S&P/ASX 100 Index, which includes the largest and most liquid stocks traded on the ASX.

By accepting the Offer, Shareholders will benefit from a substantial increase in the marketability of their shares. For example, during the 2010 financial year, an average of approximately \$739 million of Paladin Shares were traded on the ASX per month, compared to approximately \$2.3 million for NGM Shares.

Paladin has its primary listing on the ASX and has additional listings on the TSX, the Namibian Stock Exchange and on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe, which greatly increases Paladin's presence in the international equity markets.

(d) NGM Shareholders will benefit from Paladin's management team and board

Shareholders will benefit from Paladin's management team and board which has the skills and demonstrated ability to explore, develop and operate uranium operations.

Paladin has a well regarded management team with a proven track record in taking uranium projects through to production, as demonstrated by the construction and the commissioning of the Langer Heinrich and Kayelekera uranium mines, located in Namibia and Malawi respectively.

Paladin's ability to construct and commission two world-class uranium mines over the past 4 years provides your Directors with confidence that Paladin will be able to progress NGM's uranium projects and add value to them.

(e) No superior proposal for NGM has emerged for Shareholders

At the date of this Target's Statement, your Directors have not received a competing proposal from any other potential acquirers, nor are they aware of any party with an intention to make such a proposal.

Prior to announcing its takeover offer for NGM, Paladin already owned 22.48% of NGM's share capital, which is likely to be a significant deterrent to any other potential acquirer. As a result, the Directors consider it is unlikely that a competing proposal will emerge.

(f) No brokerage

Shareholders (who have their NGM Shares registered in an Issuer Sponsored Holding in their name and deliver them directly to Paladin) will not incur any stamp duty or brokerage in accepting the Offer, which may otherwise be incurred if you choose to sell your NGM Shares on the ASX.

Your Directors have identified the following disadvantages of accepting the Offer

(g) Reduced exposure to exploration potential of NGM assets

Accepting the Offer will change the risk profile of an investment in NGM from an investment in an exploration company with the associated risks of successfully delineating an economically mineable ore body, to an investment in a uranium producing company with interests in a diverse portfolio of projects at different stages of development.

Some investors may consider this effect of the Offer as a disadvantage in the context of the balance of their personal portfolios.

(h) Inability to accept a superior offer if one were to emerge

Accepting Paladin's Offer may preclude you from being able to accept a superior proposal from a third party, should one emerge during the Offer Period. However, for the reasons set out above, your Directors consider it unlikely that any such competing proposal will emerge.

(i) Status of the Conditions to the Offer

Paladin's Offer is subject to a number of Conditions. Accordingly, the Offer will only proceed if those Conditions are satisfied or otherwise waived by Paladin. Accepting the Offer whilst those Conditions remain will result in you giving up your right to sell your NGM Shares on the ASX or otherwise deal with your NGM Shares whilst the Offer remains open (unless withdrawal rights are available). Details of the Conditions to the Offer are set out in section 6.2 of this Target's Statement.

In this regard, Deutsche Securities Australia Limited and each of its holding companies in the Deutsche Bank Group (collectively the **Deutsche Bank Group**) have recently acquired a relevant interest in 11.74% of the issued capital of NGM which has resulted in a breach of a Condition of the Offer ('Restriction on others acquiring shares in NGM'). NGM has formally notified Paladin of this breach which, if not waived, will mean that the Offer will not proceed. However, NGM notes from the Bidder's Statement that Paladin has sought to reserve its rights to rely on the non-fulfillment of that Condition (and to treat your acceptance or the contract resulting from your acceptance of this Offer as void), or declare its Offer free of that Condition. NGM will keep Shareholders informed regarding Paladin's intentions.

NGM has no reason to believe that the Deutsche Bank Group is seeking to block the Paladin Offer from proceeding.

(j) Availability of CGT scrip-for scrip rollover relief

If Paladin waives the 90% minimum acceptance condition to its Offer, there is a risk that the pre-conditions for scrip-for-scrip rollover relief will not be satisfied. In the absence of scrip-for-scrip rollover relief being available, Shareholders who accept the Offer may be subject to capital gains tax.

Further details about the taxation consequences of accepting the Offer are set out in section 3.8 of this Target's Statement and section 8 of the Bidder's Statement.

2.3 Intentions of your Directors in relation to the Offer

Each director of NGM who holds or controls NGM Shares, intends to accept the Offer in relation to those shares, in the absence of a superior proposal.

Details of the relevant interests of each Director in NGM Shares are set out in section 7.4 of this Target's Statement.

Your Directors will promptly advise you if there are any material developments in relation to the Offer or if alternative proposals are announced during the Offer Period.

2.4 How to accept the Offer

Please see section 1 of this Target's Statement and section 10.7 of the Bidder's Statement for further information on how to accept the Offer.

You may only accept the Offer for all of your NGM Shares. Acceptances must be received before 5.00 pm (AWST) on 8 October 2010 (unless the Offer Period is extended).

2.5 Shareholder Information Line

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the Shareholder Information Line on 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia) from Monday to Friday during business hours.

Section 3 | Important considerations for Shareholders

3.1 Information in relation to NGM

NGM is a diversified mineral exploration company focused on uranium and base metals. NGM has uranium exploration projects in Niger, West Africa and metal exploration projects in Madagascar, Southern Africa. At the date of this Target's Statement, Paladin holds 22.48% of the ordinary shares in NGM.

NGM has a significant land position in Niger's uranium rich Tim Mersoï Basin, a region which has a long uranium production history and hosts some of the world's largest and highest grade uranium mines. NGM holds three uranium exploration concessions, covering an area of approximately 1,500km² in the region.

In Madagascar, itabirite iron ore and mineral sand prospects have been identified, and exploration at the Analalava and Mahanoro projects is ongoing. Annual exploration expenditure on these prospects is currently approximately \$100,000 per annum, although your Directors believe that an increase in the level of exploration activity is required to add value to these prospects.

NGM has recently released its quarterly report for the period ended 30 June 2010, providing an update of the Company's activities during that quarter. This report, and other announcements relating to NGM, can be located on NGM's website at www.ngmresources.com.au, the ASX website at www.asx.com.au, or by contacting the Shareholder Information Line on 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia) from Monday to Friday during business hours.

3.2 Information in relation to Paladin

Paladin is a uranium production company with two operating mines in Africa and a portfolio of projects at various stages of exploration and development in Australia and Africa. As at 1 September 2010 (being the last practicable date prior to lodgement of the Target's Statement with ASIC), Paladin had a market capitalisation in excess of \$2.7 billion and was included in the S&P/ASX 100 Index.

Section 2 of the Bidder's Statement provides background information in relation to Paladin's projects and financial position. The risks associated with investing in Paladin are contained in section 7 of the Bidder's Statement.

Further information regarding Paladin can be obtained from Paladin's website at www.paladinenergy.com.au.

3.3 Information relating to trading in Paladin Shares

Paladin is listed on several exchanges around the world, with its primary listing on the ASX. Paladin has additional listings on the TSX, on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe and on the Namibian Stock Exchange.

The last market sale price of Paladin Shares on the ASX on 20 July 2010, being the last day of trading before the Announcement Date was A\$3.58.

The last market sale price of Paladin Shares on the ASX on 1 September 2010, being the latest practicable date prior to the lodgement of the Target's Statement with ASIC, was A\$3.80.

The highest market sale price of Paladin Shares on the ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgement of the Bidder's Statement with ASIC, was A\$5.18 on 21 October 2009.

The lowest market sale price of Paladin Shares on the ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgement of the Bidder's Statement with ASIC, was A\$3.37 on 6 July 2010.

During the 2010 financial year, an average of approximately \$739 million of Paladin Shares were traded on the ASX per month, compared to approximately \$2.3 million for NGM Shares.

3.4 Risks associated with investing in Paladin Shares

Section 7 of the Bidder's Statement outlines the risks that Shareholders may face when investing in Paladin Shares. Please read this information carefully. If you require further information regarding such risks in order to make a decision as to whether or not to accept the Offer please contact your professional adviser.

Neither NGM nor any of its officers or advisers accepts any liability or responsibility in respect of movement in Paladin Share prices before, during or following the close of the Offer.

3.5 Retaining your shares in NGM

The Offer is presently subject to a minimum acceptance condition which, if fulfilled (and all of the other conditions are fulfilled or freed), will entitle Paladin to compulsorily acquire all NGM Shares.

Paladin has indicated in its Bidder's Statement that if it becomes entitled under the Corporations Act to compulsorily acquire the remaining shares in NGM, it presently intends to do so. If at the end of the Offer Period, Paladin becomes entitled to, and does, compulsorily acquire all outstanding NGM Shares, NGM will become 100% owned by Paladin and no minority Shareholders will remain.

However, Paladin has the right to free the Offer from the minimum acceptance condition. If Paladin frees the Offer from this minimum acceptance condition and the remaining conditions are fulfilled or otherwise waived, and Paladin acquires the majority of NGM Shares, there may be a number of important implications for Shareholders who do not accept the Offer, such as:

- any NGM Shares acquired by Paladin under the Offer will reduce the number of NGM Shares which can be expected to be available for trading on the ASX. This is likely to further impact upon the already low level of liquidity (the volume of trading) of NGM Shares.
- Paladin will be in a position to cast the majority of votes at a general meeting of NGM, which would enable Paladin to control the composition of the Board, determine NGM's dividend and capital management policies and control the strategic direction of the business of NGM. Additionally, if Paladin acquires more than 75% of NGM Shares, it will be in a position to cast the votes required for a "special resolution" at a meeting of NGM members. This would enable it to pass resolutions, for example, to amend the NGM constitution.
- if NGM remains listed then it is unlikely that the NGM Share price would sustain the current takeover premium and, accordingly, may fall below the implied price of the Offer Consideration.
- Paladin may seek to have NGM removed from the official list of ASX.

- Paladin may become a related party of NGM and so dealings between them will be subject to the related party provisions and restrictions contained in the Corporations Act and Listing Rules.

See section 5.5 of the Bidder's Statement for details of Paladin's intentions if NGM becomes a controlled entity, but not a wholly-owned subsidiary of Paladin.

Further, if the Offer lapses (for example, because the compulsory acquisition condition is not achieved), it is possible that the market price and trading volumes in NGM Shares will decrease, at least in the short term, to the lower levels at which they were trading before the Announcement Date.

Shareholders should also be aware that if NGM is to proceed on a stand-alone basis, it is likely the Company will need to raise further equity funding to proceed with its planned exploration activities. It is possible that any such raising may need to be priced at a substantial discount to the prevailing market price of NGM Shares to guarantee its success, particularly given the current volatility on financial markets, the fact that NGM is a junior exploration company and the fact that there is no certainty that Paladin would continue to support the Company in circumstances where its Offer has been unsuccessful.

3.6 Foreign Ineligible Shareholders

If you are a foreign Shareholder (that is, any Shareholder whose address is in a place outside Australia and its external territories or New Zealand) and you accept the Offer, unless Paladin determines otherwise, you will not be entitled to receive Paladin Shares as consideration for your NGM Shares.

Instead if you accept the Offer, you will receive the net cash sale proceeds of Paladin Shares which you would otherwise have received (see section 10.22 of the Bidder's Statement).

3.7 Unmarketable parcel of Paladin Shares

If you accept the Offer and the total number of Paladin Shares you are entitled to receive as consideration under the Offer is an unmarketable parcel, you will not be entitled to receive Paladin Shares as consideration for your NGM Shares. Instead, you will receive the net cash sale proceeds of Paladin Shares which you would otherwise have received (see section 10.23 of the Bidder's Statement).

3.8 Taxation Consequences

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of taxation consequences of accepting the Offer is set out in section 8 of the Bidder's Statement.

The outline provided in the Bidder's Statement has been prepared by or on behalf of Paladin (and not NGM or its Directors). It is of a general nature only and you are encouraged to seek your own specific professional advice as to the taxation implications applicable to your circumstances.

3.9 Dividends

NGM has not paid a dividend to Shareholders since listing on ASX.

As an exploration company, NGM's Directors consider it unlikely that NGM will pay dividends in the foreseeable future if the company continues as a stand-alone entity with its current business composition.

NGM notes from the Bidder's Statement that:

- Paladin has paid no dividends on its ordinary shares since its date of incorporation and Paladin does not anticipate paying dividends on its shares in the near future.
- Paladin anticipates that it will retain future earnings and other cash resources for the future operation and development of its business and Paladin does not intend to declare or pay any cash dividends in the near future.
- Payment of any future dividends will be at the discretion of the Paladin Board after taking into account many factors, including Paladin's operating results, financial condition and current and anticipated cash needs.

Section 4 | Frequently asked questions

The following set of questions and answers are intended to assist in your understanding of the Offer. If you have any other questions, please contact the Shareholder Information Line on 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia).

Question	Answer	Further Information
1 Who is Paladin?	Paladin Energy Ltd is a company listed on the ASX and TSX and is the bidder making the Offer to acquire all your NGM Shares. For further information about Paladin, please refer to Paladin's Bidder's Statement.	Section 2 of the Bidder's Statement
2 What is a target's statement?	This document is a target's statement issued by NGM under Part 6.5 Division 3 of the Corporations Act in response to Paladin's Bidder's Statement and the Offer. It contains information that is relevant to your decision whether or not to accept the Offer, including the recommendation of Directors in respect of the Offer.	
3 What is the Bidder's Statement?	Paladin's Bidder's Statement was prepared by Paladin and is enclosed with this Target's Statement. The Bidder's Statement describes the terms of the Offer for your NGM Shares and information relevant to your decision whether or not to accept the Offer.	
4 What is Paladin's offer for my NGM Shares?	Paladin is offering 1 Paladin Share for every 23.9 NGM Shares held by you.	Section 6.1 of this Target's Statement Section 10 of the Bidder's Statement
5 What choices do I have as a Shareholder?	As a Shareholder, you have the following choices in respect of your NGM Shares: • Accept the Offer – in which case you should follow the instructions in the Bidder's Statement or in Section 1 of this Target's Statement; • Sell your NGM Shares on market. You will receive a cash amount according to the prevailing market value of your NGM Shares, less any brokerage payable. You will lose the right to participate in the Offer; or • Reject the Offer by doing nothing. Simply ignore all documents sent to you by Paladin. Note that your NGM Shares may be compulsorily acquired by Paladin in the event that it acquires a relevant interest in 90% of all NGM Shares.	A summary of the implications for each of these choices is set out in Section 5 of this Target's Statement
6 What is the recommendation of the Directors	Each Director recommends that you accept the Offer, in the absence of a superior proposal.	Section 2.2 of this Target's Statement
7 What will the Directors be doing in relation to their NGM Shares	The Directors intend to accept the offer in relation to their NGM Shares and the NGM Shares of entities controlled by them, in the absence of a superior proposal.	Section 2.3 of this Target's Statement
8 How do I accept the Offer?	Details of how to accept the Offer are set out in Section 1 of this Target's Statement and Section 10 of the Bidder's Statement.	Section 1 of this Target's Statement Section 10 of the Bidder's Statement

	Question	Answer	Further Information
9	What are the consequences of accepting the Offer now?	If you accept the Offer, unless withdrawal rights are available (see the answer to question 10 below), you will give up your right to sell your NGM Shares on the ASX or otherwise deal with your NGM Shares while the Offer remains open.	Section 6.7 of this Target's Statement
10	If I accept the Offer, can I withdraw my acceptance?	You may only withdraw your acceptance of the Offer if: - Paladin varies the Offer in a way that postpones, for more than one month, the time when Paladin needs to meet its obligations under the Offer (ie extension of the Offer Period by more than one month); and - the Conditions have not been waived at the time of your purported withdrawal.	Section 6.8 of this Target's Statement
11	Do I have to pay any fees?	You will not pay any stamp duty on accepting the Offer. If your NGM Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Paladin, you will not incur any brokerage connected with you accepting the Offer. If your NGM Shares are in a CHESS Holding or you hold your NGM Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer. You may incur brokerage costs and GST on those costs, if you choose to sell your NGM Shares on ASX.	Section "Key Questions" section in the Bidder's Statement
12	What are the consequences of doing nothing / not accepting the Offer?	If you do not accept the Offer and you do not sell your NGM Shares on ASX, you will remain a shareholder of NGM and will not receive any Paladin Shares. However, Paladin has stated that if it becomes entitled to compulsorily acquire your NGM Shares, it presently intends to do so. This means that Paladin may be able to acquire your NGM Shares even if you did not accept the Offer. If this occurs, you will still receive the Offer Consideration but at a later date than you would have received it if you had accepted the Offer.	Sections 3.5 of this Target's Statement Section 5 of the Bidder's Statement
13	What are the taxation consequences of accepting the Offer?	The taxation consequences of accepting the Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the taxation consequences of accepting the Offer is set out in section 8 of the Bidder's Statement. However, you are encouraged to seek your own professional advice as to the taxation implications applicable to your circumstances.	Section 3.8 of this Target's Statement Section 8 of the Bidder's Statement
14	When does the Offer close?	The Offer will close at 5.00 pm (AWST) on 8 October 2010, unless extended or withdrawn. For example, Paladin may extend the Offer Period at any time before giving the Notice of Status of Conditions while the Offer is subject to conditions. However, if the Offer is unconditional Paladin may extend the Offer Period at any time before the end of the Offer Period.	Section 6.4 of this Target's Statement Section 10 of the Bidder's Statement
15	What are the conditions to the Offer?	The Conditions are set out in full in section 10.12 of the Bidder's Statement.	Section 6.2 of this Target's Statement Section 10.12 of the Bidder's Statement

Question	Answer	Further Information
16 What happens if the Conditions are not satisfied or waived?	If the Conditions are not satisfied or waived before the Offer closes, the Offer will lapse. This means that: • if you have accepted the Offer, your acceptance is void and you will continue to be a shareholder of NGM, free to deal with your NGM Shares; or • if you have rejected the Offer, you will continue to be a shareholder of NGM, free to deal with your NGM Shares.	Section 6.10 of this Target's Statement Section 10 of the Bidder's Statement
17 When will I receive the Offer Consideration?	If you accept the Offer and the Offer becomes unconditional, Paladin will issue you the consideration under the Offer by the earlier of: • the day one month after you accept the Offer or, if the Offer is subject to a Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional; and • the day 21 days after the end of the Offer Period.	Section 10 of the Bidder's Statement
18 What do I do if I am a foreign Shareholder?	Certain foreign holders of NGM Shares will not be entitled to receive Paladin Shares on accepting the Offer. These foreign shareholders who accept the Offer will receive the net cash sale proceeds of Paladin Shares which they would otherwise have received (see section 10.22 of the Bidder's Statement). The foreign holders to which this applies are (unless Paladin determines otherwise) holders of NGM Shares whose address as shown in the register of members of NGM is in a jurisdiction other than Australia and its external territories or New Zealand.	Section 3.6 of this Target's Statement Section 10.22 of the Bidder's Statement
19 What if I am entitled to an unmarketable parcel of Paladin Shares?	If you accept the Offer and the total number of Paladin Shares you are entitled to receive as consideration under the Offer is an unmarketable parcel, you will receive the net cash sale proceeds of Paladin Shares which you would otherwise have received (see section 10.23 of the Bidder's Statement).	Section 3.7 of this Target's Statement Section 10.23 of the Bidder's Statement
20 What is the effect of the Offer on NGM Options?	The Offer relates to NGM Shares which are issued following the exercise of NGM Options prior to the close of the Offer Period. No separate takeover offer is being made for NGM Options. Paladin may elect to make private treaty offers to holders of NGM Options to acquire or cancel their options subject to the Offer becoming or being declared unconditional. If not all the NGM Options are exercised (or otherwise cancelled or acquired by Paladin pursuant to private treaty agreements or other arrangements), and Paladin is entitled to compulsorily acquire any outstanding NGM Shares, Paladin presently intends to seek to compulsorily acquire or cancel any outstanding NGM Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.	Section 6.12 of this Target's Statement Section 4.12 of the Bidder's Statement

Question	Answer	Further Information
21 What is the effect of the Offer on the NGM Incentive Shares	The Offer relates to NGM Shares which are issued following the conversion of NGM Incentive Shares prior to the close of the Offer Period. No separate takeover offer is being made for NGM Incentive Shares. Under the terms of the NGM Incentive Shares, the holder of such shares has a right to convert those shares into NGM Shares if a takeover bid is made for all of the NGM Shares and the holders of at least half of the NGM Shares have accepted the Offer. If the above conversion event occurs (and NGM's auditor has certified its occurrence), NGM must issue a notice to each holder of NGM Incentive Shares confirming the occurrence of the conversion event. Holders of NGM Incentive Shares may subsequently elect to convert their shares into NGM Shares.	Section 6.13 of this Target's Statement Section 4.13 of the Bidder's Statement

Section 5 | Your choices as a Shareholder

As a Shareholder you have three choices currently available to you

5.1 Accept the Offer

Shareholders may elect to accept the Offer. Shareholders who accept the Offer (once the conditions are satisfied or waived) will be issued 1 Paladin Share for every 23.9 NGM Shares by the earlier of:

- the day 21 days after the end of the Offer Period; and
- the day one month after you accept the Offer or, if the Offer is subject to a Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional..

Shareholders (who have their NGM Shares registered in an Issuer Sponsored Holding in their name and deliver them directly to Paladin) will not incur any brokerage charge in accepting the Offer.

Details of how to **ACCEPT** the Offer are set out in section 1 of this Target's Statement and section 10.7 of the Bidder's Statement.

5.2 Sell your NGM Shares on the ASX

Shareholders can sell their shares on the ASX for the market price at the time. This may be above or below the implied price of the Offer Consideration.

If you sell your NGM Shares on-market:

- you will lose the ability to accept the Offer or any other proposal that may emerge;
- you may receive more or less for your NGM Shares than the Offer Consideration per NGM Share;
- you may incur a brokerage charge; and
- you will not be eligible for CGT rollover relief.

If you wish to sell your NGM Shares on-market you should contact your broker.

The taxation implications of selling your NGM Shares on the ASX depend on a number of factors and will vary according your particular circumstances, in the same way as if you accept the Offer. You should seek your own specific professional advice regarding the taxation consequences of selling your NGM Shares on the ASX.

5.3 Do nothing

If you do not wish to accept the Offer or sell your NGM Shares on market you may do nothing.

Shareholders should note that if Paladin satisfies the required thresholds, it will be entitled to compulsorily acquire the NGM Shares that it and its Associates do not already own (see section 6.11 for further details).

If you decide to retain your NGM Shares and Paladin does not become entitled to compulsory acquisition of those shares, you should consider the risk associated with a continuing investment in NGM.

If, at the end of the Offer Period, Paladin is not entitled to proceed to compulsory acquisition, then any NGM Shares acquired by Paladin under the Offer will reduce the number of NGM Shares which can be expected to be available for trading on the ASX.

This is likely to reduce the liquidity (the volume of trading) of NGM Shares, and may adversely affect the price at which they might otherwise be expected to trade. Directors also expect that the price of your NGM Shares will fluctuate and fall below the implied price of the Offer Consideration, depending on NGM's operating performance, issues affecting its remaining businesses, liquidity and changes in market sentiment generally.

See section 3.5 of this Target's Statement for further details on the consequences of retaining your NGM Shares and see section 5.6 of the Bidder's Statement for details of Paladin's intentions if NGM becomes a controlled entity, but not a wholly-owned subsidiary of Paladin.

Each of the Directors recommends that you accept the Offer in absence of a superior proposal

Section 6 | Key features of the Offer

6.1 Consideration payable to Shareholders who accept the Offer

The consideration being offered by Paladin is 1 Paladin Share for every 23.9 NGM Shares held by each Shareholder.

If you become entitled to a fraction of a Paladin Share under the Offer, the number of Paladin Shares you are entitled to will be rounded up to the nearest whole number (if the fraction is 0.5 or greater) or rounded down to the nearest whole number (if the fraction is less than 0.5).

6.2 Conditions of the Offer

The Offer is subject to those Conditions set out in full in section 10.12 of the Bidder's Statement, and summarised below:

Condition	Description
1 Minimum acceptance condition	During, or at the end of, the Offer Period the number of NGM Shares in which Paladin and its Associates together have relevant interests (disregarding any relevant interest that Paladin has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the NGM Shares.
2 No prescribed occurrences	None of the following events happens during the period beginning on the date the Bidder's Statement is given to NGM and ending at the end of the Offer Period: • NGM converts all or any of its shares into a larger or smaller number of shares; • NGM or a subsidiary of NGM resolves to reduce its share capital in any way; • NGM or a subsidiary of NGM: • enters into a buy-back agreement; or • resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act; • NGM or a subsidiary of NGM issues shares (other than NGM Shares upon the exercise of NGM Options or conversion of NGM Incentive Shares) or grants an option over its shares, or agrees to make such an issue or grant such an option; • NGM or a subsidiary of NGM issues, or agrees to issue, convertible notes; • NGM or a subsidiary of NGM disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; • NGM or a subsidiary of NGM charges, or agrees to charge, the whole, or a substantial part, of its business or property; • NGM or a subsidiary of NGM resolves to be wound up; • the appointment of a liquidator or provisional liquidator of NGM or of a subsidiary of NGM; • a court makes an order for the winding up of NGM or of a subsidiary of NGM; • an administrator of NGM, or of a subsidiary of NGM, is appointed under section 436A, 436B or 436C of the Corporations Act; • NGM or a subsidiary of NGM executes a deed of company arrangement; or • a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of NGM or of a subsidiary of NGM.

Condition	Description
3 No prescribed occurrences between Announcement Date and service	None of the events listed under Condition 2 above happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to NGM.
4 No action by Public Authority adversely affecting the Takeover Bid	During the Condition Period: • there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; • no action or investigation is instituted, or threatened by any Public Authority with respect to NGM or any subsidiary of NGM; or • no application is made to any Public Authority (other than an application by Paladin or any company within the Paladin Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer), in consequence of, or in conjunction with, the Offer, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including implementing the intentions expressed therein) or seeks to require the divestiture by Paladin of any NGM Shares, or the divestiture of any assets by NGM or by any subsidiary of NGM or by any company within the Paladin Group.
5 Approvals by Public Authorities	During the Condition Period, Paladin receives all Approvals which are required by law or by any Public Authority: • to permit the Offer to be made to and accepted by Shareholders; or • as a result of the Offer or the successful acquisition of the NGM Shares and which are necessary for the continued operation of the business of NGM and its subsidiaries or of Paladin and its subsidiaries, and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.
6 S&P ASX200 Index	During the Condition Period, the S&P/ASX 200 Index does not close below 3,743.06 (being a 15% drop to the S&P ASX 200 Index as at 20 July 2010) for 5 or more consecutive trading days.
7 No material acquisitions, disposals, etc.	Except for any proposed transaction publicly announced by NGM before the Announcement Date, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Paladin: • NGM, or any subsidiary of NGM, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$100,000 or makes an announcement about such an acquisition; • NGM, or any subsidiary of NGM, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$100,000 or makes an announcement about such a disposal; • NGM, or any subsidiary of NGM, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$100,000 or dual listed company structure, or makes an announcement about such a commitment; or • NGM, or any subsidiary of NGM, incurs or commits to, or grants to another person a right the exercise of which would involve NGM or any subsidiary of NGM incurring or committing to any capital expenditure or liability for one or more related items of greater than

Condition	Description
	\$100,000 or makes an announcement about such a commitment.
8 No material failings in filings	Paladin does not become aware, during the Condition Period, that any document filed by or on behalf of NGM with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.
9 No break fees	- Subject to the remainder of this Condition, during the Condition Period none of NGM, and any body corporate which is or becomes a subsidiary of NGM, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning: - a takeover offer for NGM or any body corporate which is or becomes a subsidiary of NGM; or - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, NGM or any body corporate which is or becomes a subsidiary of NGM, or to operate NGM as a single economic entity with another body corporate. - This Condition does not apply to a payment, benefit or agreement: - for providing professional advisory services to NGM; - which is approved in writing by Paladin; - which is approved by a resolution passed at a general meeting of NGM; or - which is made to, provided to, owed by or made with Paladin.
10 Non-existence of certain rights	No person has any right (whether subject to conditions or not) as a result of Paladin acquiring NGM Shares to: - acquire, or require NGM or a subsidiary of NGM to dispose of, or offer to dispose of, any material asset of NGM or a subsidiary of NGM; - terminate or vary any material agreement with NGM or a subsidiary of NGM; or - accelerate or adversely modify the performance of any obligations of NGM or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.
11 Conduct of NGM's business	During the Condition Period, none of NGM, or any body corporate which is or becomes a subsidiary of NGM, without the written consent of Paladin: - declares, or distributes any dividend, bonus or other share of its profits or assets; - issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of NGM Shares upon the exercise of NGM Options or conversion of NGM Incentive Shares; - makes any changes in its constitution or passes any special resolution; - gives or agrees to give any encumbrance over any of its assets otherwise than in the ordinary course of business; - borrow or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business); - releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so; - has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise; - enters or agrees to enter into any contract of service or varies or

Condition	Description
	agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date); • conducts its business otherwise than in the ordinary course; • has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or • executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) or any corresponding legislation.
12 No force majeure event	During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of NGM or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of NGM or any of its subsidiaries.
13 No material adverse change to NGM	During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the: • assets, liabilities, financial position, performance, profitability or prospects of NGM and its subsidiaries taken as a whole or of any of them; • status or terms of any material Approvals from Public Authorities applicable to NGM or any of its subsidiaries, including: • any creditor demanding repayment of a debt of \$100,000 or more; • NGM or a subsidiary of NGM entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$100,000 or more; • any person accelerating or adversely modifying the performance of any obligations of NGM or any of its subsidiaries under any agreements, contracts or other legal arrangements; or • any of the Niger Tenements (or the extension of any of these tenements for a period of 27 months ending December 2012) is discovered to be not valid or binding.
14 Niger Tenements	Prior to 11 September 2010, NGM or its subsidiary, Indo Energy Ltd, receives in writing all necessary approvals from relevant Public Authorities for the valid extension of the Niger Tenements for a period of 27 months ending December 2012, and otherwise without any material variation to any other terms or conditions of the Niger Tenements, and provides a copy of all such approvals to Paladin.
15 Restriction on others acquiring shares in NGM	During the Condition Period, no person other than: • Paladin or an associate of Paladin (as defined in section 12(2) of the Corporations Act); or • an entity which, immediately prior to the Announcement Date, held 10% or more of the voting power in NGM, obtains 10% or more of voting power in NGM.
16 Consent to Listing	The TSX consents to the issue and listing of the Paladin Shares to be issued under the Offer on that exchange on an unconditional basis or subject only to customary conditions.

Condition	Description
17 Lender's consent	The Société Générale, Australia Branch ABN 71 092 516 286, in its capacity as agent under the Common Terms Agreements: - irrevocably and unconditionally consents to the acquisition by Paladin of some or all the NGM Shares pursuant to the Offer for the purposes of the Common Terms Agreements; and - irrevocably and unconditionally waives any default under the Common Terms Agreements which has arisen, or may arise, solely as a result of the announcement or completion of the Offer by Paladin.
18 NGM Options	During the Condition Period, either: - all NGM Options have been exercised, cancelled or transferred to Paladin or agreement has been reached between Paladin, NGM and the holders of the NGM Options to do so; or - Paladin is entitled to compulsorily acquire all outstanding NGM Options in accordance with Chapter 6A of the Corporations Act.
19 NGM Incentive Shares	During the Condition Period, all NGM Incentive Shares have been converted into NGM Shares, cancelled or transferred to Paladin, and if converted into NGM Shares, the holders of all NGM Shares arising upon conversion, have accepted the Offer in respect of all such shares.
20 Access to Information	Between the Announcement Date and the end of the Offer Period, NGM promptly, and in any event within two business days, provides to Paladin a copy of all material information which Paladin may from time to time reasonably request, relating to NGM or any of its subsidiaries, or their respective assets, liabilities or operations.
21 BVI Subsidiaries	Prior to 11 September 2010, NGM provides to Paladin certificates issued by Mossack Fonseca, the registered agent of Indo Energy Ltd and NGM Universal Limited (BVI Subsidiaries), confirming that each of the BVI Subsidiaries is in good standing, is wholly owned by NGM and there are no charges registered against any of them.

The Conditions are conditions subsequent. The non-fulfilment of a condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your NGM Shares from arising, but it does entitle Paladin by written notice to you, to rescind the contract resulting from acceptance of the Offer.

In this regard, Deutsche Securities Australia Limited and each of its holding companies in the Deutsche Bank Group (collectively the **Deutsche Bank Group**) have recently acquired a relevant interest in 11.74% of the issued capital of NGM which has resulted in a breach of a Condition of the Offer ('Restriction on others acquiring shares in NGM' – Condition 15 above). NGM has formally notified Paladin of this breach which, if not waived, will mean that the Offer will not proceed. However, NGM notes from the Bidder's Statement that Paladin has sought to reserve its rights to rely on the non-fulfillment of that Condition (and to treat your acceptance or the contract resulting from your acceptance of this Offer as void), or declare its Offer free of that Condition. NGM will keep Shareholders informed regarding Paladin's intentions.

NGM has no reason to believe that the Deutsche Bank Group is seeking to block the Paladin Offer from proceeding.

Apart from this breach of Condition 15, as at the date of this Target's Statement, NGM is not aware of any event having occurred which would cause any of the other Conditions not to be fulfilled.

6.3 Notice of Status of Conditions

Section 10.17 of the Bidder's Statement indicates that Paladin will give a Notice of Status of Conditions to the ASX and NGM on 1 October 2010.

Paladin is required to set out in its Notice of Status of Conditions:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Paladin knows, any of the Conditions have been fulfilled; and
- Paladin's voting power in NGM.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Paladin is required, as soon as practicable after the extension, to give a notice to the ASX and NGM that states the new date for the giving of the Notice of Status of Conditions.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the bid period but before the date on which the Notice of Status of Conditions is required to be given, Paladin must, as soon as practicable, give the ASX and NGM a notice that states that the particular condition has been fulfilled.

6.4 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from 6 September 2010 until 5.00 pm (AWST) on 8 October 2010.

The circumstances in which Paladin may extend or withdraw its Offer are set out in sections 6.5 and 6.6 respectively of this Target's Statement.

6.5 Extension of the Offer Period

Paladin may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 6.3 of this Target's Statement) while the Offer is subject to conditions. There are also limited circumstances where Paladin may extend the Offer Period after the Notice of Status of Conditions has been given. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or freed), Paladin may extend the Offer Period at any time before the end of the Offer Period.

In addition, if the events set out in section 624(2) of the Corporations Act occur within the last 7 days of the Offer Period, the Offer Period will be automatically extended so that it ends 14 days after that event.

6.6 Withdrawal of Offer

Paladin may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

6.7 Effect of acceptance

The effect of acceptance of the Offer is set out in section 10 of the Bidder's Statement.

Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their NGM Shares and the representations and warranties which they give by accepting of the Offer.

6.8 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer.

You may only withdraw your acceptance of the Offer if Paladin varies the Offer in a way that postpones, for more than one month, the time when Paladin needs to meet its obligations to pay for NGM Shares under the Offer. This will occur if Paladin extends the Offer Period by more than one month and the Offer is still subject to the Conditions.

6.9 When you will receive the Offer Consideration

Paladin will provide the consideration due to you for your NGM Shares at the earlier of:

- the day 21 days after the end of the Offer Period; and
- the day one month after you accept the Offer or, if the Offer is subject to a Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional.

Full details of when you will be issued the Offer Consideration for your NGM Shares are set out in section 10.19 of the Bidder's Statement.

6.10 Lapse of Offer

The Offer will lapse if the Conditions are breached, and not waived, at the end of the Offer Period; in which case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your NGM Shares as you see fit.

6.11 Compulsory acquisition

Paladin has indicated in section 5.3 of its Bidder's Statement that if it satisfies the required thresholds, it presently intends to compulsorily acquire any outstanding NGM Shares.

Paladin will be entitled to compulsorily acquire any NGM Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- Paladin and its Associates have a relevant interest in at least 90% (by number) of the NGM Shares; and
- Paladin and its Associates have acquired at least 75% (by number) of the NGM Shares that Paladin offered to acquire.

If this threshold is met, Paladin will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer. Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their NGM Shares. If compulsory acquisition occurs, Shareholders who have their NGM Shares compulsorily acquired are likely to be paid their consideration approximately 6 weeks after the compulsory acquisition notices are despatched to them.

6.12 NGM Options

In accordance with the terms of the bid implementation agreement dated 21 July 2010 between Paladin and NGM, Paladin must prior to declaring the Offer unconditional, either:

- make an offer to acquire all of the NGM Options from each holder of NGM Options; or
- seek the holder's consent for the cancellation of the NGM Options which he or she holds.

If accepted or consent to, the acquisition or cancellation of those NGM Options must be completed within 21 days of the Offer being declared unconditional.

NGM must ensure that it does all things and takes all actions to assist Paladin in acquiring or cancelling the NGM Options.

If a holder of NGM Options does not accept or consent to the acquisition or cancellation of its NGM Options, Paladin has stated that, subject to having a relevant interest in at least 90% of the NGM Shares, it presently intends to compulsorily acquire all outstanding NGM Options in accordance with Chapter 6A.2 of the Corporations Act (see section 5.3 of the Bidder's Statement).

6.13 NGM Incentive Shares

Paladin must ensure that its Offer extends to any NGM Shares issued as a result of the conversion of NGM Incentive Shares into NGM Shares prior to the end of the Offer Period.

NGM must ensure that it does all things and takes all actions to assist Paladin in relation to the conversion of the NGM Incentive Shares into NGM Shares.

Section 7 | Other material information

7.1 Continuous Disclosure

NGM is a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require NGM to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, NGM has an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of NGM Shares.

Copies of the documents filed with the ASX may be obtained from the ASX website at www.asx.com.au and NGM's website at www.ngmresources.com.au.

In addition, NGM will make copies of the following documents available for inspection at NGM's offices which are located at Suite 4, Level 3, 83-85 The Esplanade, South Perth, Western Australia, Australia (between 9.00 am and 5.00 pm on Business Days):

- its 2009 Annual Report;
- its constitution; and
- any continuous disclosure document lodged by NGM with the ASX between the lodgement of its 2009 Annual Report on 23 October 2009 and the date of this Target's Statement. A list of these documents is included in the Annexure.

A copy of these documents may be requested to be provided free of charge by contacting the Shareholder Information Line on 1800 656 743 (within Australia), or +61 2 8004 4305 (outside Australia) from Monday to Friday during normal business hours.

Copies of documents lodged with ASIC in relation to NGM may be obtained from, or inspected at, an ASIC office.

7.2 Issued capital

As at the date of this Target's Statement, the issued capital of NGM consisted of:

NGM Shares	180,447,359
NGM Options	33,350,000
NGM Incentive Shares	30,000,000

7.3 Substantial holders

As at 1 September 2010 (being the latest practicable date prior to lodgement of this Target's Statement with ASIC) NGM has 3 substantial Shareholders:

Shareholder	Number of NGM Shares	Voting power
Paladin Group entities	40,573,574	22.48%
Deutsche Securities Australia Limited and each of its holding companies in the Deutsche Bank Group	21,176,530	11.74%
BH Asset Management Limited and Robert Edward Kirtlan	11,971,772	6.63%

7.4 Directors' interests in NGM securities

As at 1 September 2010 (being the latest practicable date prior to lodgement of this Target's Statement with ASIC), your Directors had the following relevant interests in NGM securities:

Director	NGM Shares			NGM Options	NGM Incentive Shares
	Direct	Indirect	Total		
Dr Geoffrey Loftus-Hills Chairman appointed 10 February 2004	Nil	1,190,000	1,190,000 ¹	1,500,000	Nil
Mr Robert Kirtlan Executive Director appointed 21 November 2003	Nil	11,971,772 ²	11,971,772	5,080,000	3,420,000
Mr Steven Chadwick Non-executive Director appointed 22 January 2010	Nil	Nil	Nil	Nil	Nil

¹ Mr Geoffrey Loftus-Hill holds an interest in Romney Park Superannuation Fund, the registered holder of these NGM Shares.

² Mr Robert Kirtlan holds his interests in NGM Shares through three separate entities, being MERK Unit Trust, BH Asset Management Limited and ARK Securities and Investments Pty Ltd.

Each Director intends to accept the Offer in respect of the NGM Shares owned or controlled by them in the absence of a superior proposal.

7.5 Recent dealings in NGM Shares by Directors

There have been no acquisitions or disposal of NGM Shares by Directors or any of their respective Associates in the four months preceding the date of this Target's Statement.

7.6 Directors' interest or dealings in Paladin Shares

None of the Directors or any of their respective Associates have any relevant interest in the securities of Paladin or any related body corporate of Paladin, or have acquired or disposed of any securities of Paladin or any related body of Paladin in the four months preceding the date of this Target's Statement.

7.7 Benefits and agreements

(a) Benefits in connection with retirement from office

Other than as set out in section 7.9 below, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of NGM or related body corporate of NGM.

(b) Agreements connected with or conditional on the Offer

Other than as set out in section 7.9 below, there are no agreements made between any director of NGM and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of NGM Shares.

(c) Interests of Directors in contracts with Paladin

No Director has any interests in any contracts with Paladin.

7.8 Bid implementation agreement

On 21 July 2010, NGM entered into a bid implementation agreement with Paladin in respect of the Offer. The bid implementation agreement relevantly provides for the following:

- an obligation on NGM to carry on its business in the ordinary course;
- an obligation on NGM to support and promote the Offer, subject to the Board's fiduciary duties;
- an obligation not to do (or omit to do) anything which will, or is likely to, breach the conditions to Paladin's takeover offer (subject to the Board's fiduciary duties);
- an obligation to appoint Paladin nominees to the Board, and for the remaining Directors to resign, upon Paladin declaring its Offer unconditional and having acquired a relevant interest in at least 90% of the NGM Shares on issue;
- customary exclusivity provisions in respect to competing proposals (except to the extent that the exclusivity provisions would require NGM or the Directors to do or refrain from doing anything which would likely involve a breach of the Directors' duties);
- break fee provisions in favour of Paladin upon the happening of any of the following events:
 - NGM accepts or agrees to accept or enter into an agreement, arrangement or understanding regarding a competing proposal;
 - all of the Directors do not recommend the Offer or any one or more Directors withdraws an earlier recommendation or recommends a competing proposal (or announces an intention to do any of the foregoing) except where the price of Paladin Shares falls below \$2.50 for 5 consecutive trading days which results in NGM changing its recommendation;
 - NGM or any of the Directors does or omits to do anything (whether or not it may be permitted by the terms of bid implementation agreement) which results in certain of the Conditions being breached and Paladin does not declare the Offer free of the breached Condition (which Paladin is under no obligation to do); or
 - there is a breach of the exclusivity obligations imposed on NGM.

7.9 Material contracts

On 20 July 2010, NGM entered into deeds of termination to effect the termination of the independent contractor arrangements in place with each of ARK Securities & Investments Pty Ltd (a company associated with Mr Robert Kirtlan), Arrow Consulting Services Pty Ltd, Paige Exley and Rockface Group Ltd, conditional upon Paladin acquiring control of NGM at the close of the Offer (**Termination Deeds**).

Under the Termination Deeds, NGM has agreed to pay (subject to Paladin acquiring control of NGM under the Offer where the Offer is unconditional):

- \$1 to ARK Securities & Investments Pty Ltd;
- \$60,000 to Arrow Consulting Services Pty Ltd;
- \$30,000 to Paige Exley; and
- \$100,000 to Rockface Group Ltd,

as compensation to each of them for agreeing to a reduced notice period pursuant to which NGM can terminate their respective independent contractor arrangements.

So far as the Directors are aware, other than the independent contractor arrangements referred to above (which are the subject of the Termination Deeds) none of NGM's material contracts have change of control clauses which will be triggered if Paladin is successful in acquiring control of NGM, giving rise to the ability for the counterparty to terminate the contract or which may have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses and prospects of NGM.

7.10 Litigation

There is no current litigation of a material nature against NGM or any controlled entity of NGM. Your Directors have no knowledge of any potential material litigation.

7.11 Retention arrangements

As at the date of this Target's Statement, no retention arrangements have been entered into.

7.12 Consents

Hartleys Limited and Corrs Chambers Westgarth have given and have not, before the date of this Target's Statement, withdrawn their consent:

- to be named in this Target's Statement in the form and context in which they are named;
- for the inclusion of their respective reports or statements (if any) attributed to them and the references to those reports or statements in the form and context in which they are included in this Target's Statement; and
- the inclusion of other statements in this Target's Statement which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Each of the above persons:

- does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with the person's consent.

As permitted by ASIC Class Order 01/1543 this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Paladin with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Paladin. Pursuant to the Class Order, the consent of Paladin is not required for the inclusion of such statements in this Target's Statement. Any Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Shareholder Information Line on 1800 656 743 (within Australia), or +61 2 8004 4305 (outside Australia) from Monday to Friday during normal business hours.

In addition, as permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or

- from a public official document or a published book, journal or comparable publication.

7.13 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any director of NGM.

The directors of NGM are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in NGM's releases to the ASX, and in the documents lodged by NGM with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

The Directors of NGM have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, the Directors of NGM do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors of NGM have had regard to:

- the nature of the NGM Shares;
- the matters that shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- the time available to NGM to prepare this Target's Statement.

Section 8 | Glossary and interpretation

In this Target's Statement defined terms have the meanings set out below:

Term	Meaning
\$ or A\$	Australian dollar.
2009 Annual Report	NGM's Annual Report for the year ended June 2009, which was lodged with the ASX on 23 October 2009.
Acceptance Form	the form of acceptance of the Offer enclosed with the Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Paladin.
Announcement Date	21 July 2010.
Approval	a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.
Associate	has the meaning given to that term in section 12 of the Corporations Act.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by that entity.
ASX Settlement	ASX Settlement Pty Limited ACN 49 008 532, being the body which administers the CHESS system in Australia.
ASX Settlement Rules	the operating rules of the settlement facility provided by ASX Settlement.
AWST	Australian Western Standard Time.
Bidder's Statement	the bidder's statement of Paladin dated 2 September 2010.
Board	the board of directors of NGM.
Business Day	a day on which banks are open for business in Perth, excluding a Saturday, Sunday or public holiday.
CGT	capital gains tax.
Common Terms Agreements	- the common terms agreement and the interpretation agreement dated 31 March 2009 between, amongst others, Paladin (Africa) Ltd (as borrower), Paladin Energy Minerals NL (as guarantor), Paladin Energy Ltd (as sponsor) and Société Générale Australia Branch (as the intercreditor agent and security trustee), under which the loan facilities for the Kayelekera Mine are provided; and - the common terms agreement and the interpretation agreement dated 25 May 2006 between, amongst others, Paladin Finance Pty Ltd (as borrower), Paladin Energy Ltd (as guarantor and sponsor) and Société Générale Australia Branch (as agent and security trustee), under which the loan facilities for the Langer Heinrich Mine are provided.
Conditions	the conditions set out in section 10.12 of the Bidder's Statement and summarised in section 6.2 of this Target's Statement.
Condition Period	the period beginning on the Announcement Date and ending at the end of the Offer Period.
Corporations Act	the <i>Corporations Act 2001</i> (Cth) as modified or varied by ASIC.
Directors	the directors of NGM.
Issuer Sponsored Holding	a holding of NGM Shares on NGM's issuer sponsored subregister.
Listing Rules	the listing rules of the ASX.
NGM or Company	NGM Resources Limited ACN 107 131 653.
NGM Incentive Share	a convertible incentive share issued in the capital of NGM.
NGM Option	an option to acquire an NGM Share that has been granted by NGM.
NGM Share	a fully paid ordinary share in the capital of NGM.

Term	Meaning
Notice of Status of Conditions	Paladin's notice disclosing the status of the conditions to the Offer which is required to be given by section 630(3) of the Corporations Act.
Offer	the Offer by Paladin for the NGM Shares, which Offer is contained in section 10 of the Bidder's Statement.
Offer Consideration	the consideration offered by Paladin under the Offer, being 1 Paladin Share per 23.9 NGM Shares.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 10 of the Bidder's Statement.
Paladin	Paladin Energy Ltd ACN 061 681 098.
Paladin Group	Paladin and its related bodies corporate (as defined in the Corporations Act).
Paladin Share	a fully paid ordinary share in the capital of Paladin.
Public Authority	any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.
S&P/ASX 100 Index	the capitalisation equity index comprised of 100 stocks listed on the ASX which are selected by the Standard & Poor's Australian Index Committee.
Shareholder	a holder of one or more NGM Shares.
Shareholder Information Line	the telephone line established by NGM to answer Shareholders' questions regarding the offer; 1800 656 743 (within Australia) and +61 2 8004 4305 (from outside Australia).
Target's Statement	this document (including the annexures), being the statement of NGM under Part 6.5 Division 3 of the Corporations Act.
Trading Day	has the meaning given to it in the Listing Rules.
TSX	the Toronto Stock Exchange.
US\$	the lawful currency of the United States of America.

Further, in this Target's Statement:

- Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- Words of any gender include all genders.
- Words importing the singular include the plural and vice versa.
- An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- A reference to a section, annexure and schedule is a reference to a section of and an annexure and schedule to this Target's Statement as relevant.
- A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- A reference to time is a reference to Perth time.

Section 9 | Authorisation of Target's Statement

This Target's Statement has been approved by a resolution passed by the directors of NGM. All directors voted in favour of that resolution.

Signed for and on behalf of NGM Resources
Limited

A handwritten signature in black ink, appearing to read 'R. Kirtlan', with a long horizontal stroke extending to the right.

Robert Kirtlan
Executive Director
2 September 2010

Annexure | ASX Announcements

The following announcements have been made to the ASX concerning NGM since the release of its 2009 Annual Report on 23 October 2009.

Date	Announcement
11/08/2010	Change in substantial holding
09/08/2010	Acquisition of Relevant Interest by Deutsche Bank Group
03/08/2010	Change in substantial holding NGM
03/08/2010	Change in substantial holding NGM
30/07/2010	Quarterly Report and Appendix 5B
29/07/2010	Change in substantial holding by DB Group
29/07/2010	Becoming a substantial holder by DB Group
21/07/2010	Paladin: Recommended Takeover Offer by Paladin for NGM Resources
21/07/2010	A\$27 Million Takeover Offer by Paladin Energy Ltd
20/07/2010	Paladin: Negotiations with NGM Resources Limited
19/07/2010	Trading Halt
15/07/2010	Another New Mineralised System Discovered in Niger
28/06/2010	Form 604 for NGM Resources from Paladin
25/06/2010	Niger Extension of Permit Expiry Dates
08/06/2010	Response to ASX Query re Director's Interest
03/06/2010	Appendix 3X
27/05/2010	Niger Drilling Update
05/05/2010	Niger Drilling Update
29/04/2010	Quarterly Activities and Cashflow Report
31/03/2010	Appendix 3B Issue of Options
31/03/2010	NGM Presentation Niger and Madagascar
24/03/2010	Operational Update - Niger and Madagascar
15/03/2010	Half Yearly Report and Accounts
29/01/2010	Dec 09 Quarterly Activities and Cashflow Report
28/01/2010	Resource Update Takardeit Project - Niger
27/01/2010	Exploration Update - Madagascar
27/01/2010	Final Director's Interest Notice - G Corner
22/01/2010	Director Resignation and New Appointments
15/12/2009	Niger Drilling Update
26/11/2009	Results of Meeting
06/11/2009	Niger drilling update
29/10/2009	Quarterly Activities and Cashflow Reports
23/10/2009	Notice of Annual General Meeting/Proxy Form

Corporate Directory

Company

NGM Resources Limited
Suite 4, Level 3, 83-85 The Esplanade
South Perth, Western Australia

Directors

Dr Geoffrey Loftus-Hills
Mr Robert Kirtlan
Mr Steven Chadwick

Financial Adviser

Hartleys Limited
Level 6, 141 St Georges Terrace
Perth, Western Australia

Legal Adviser

Corrs Chambers Westgarth
Woodside Plaza
Level 15, 240 St Georges Terrace
Perth, Western Australia

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth, Western Australia

BIDDER'S STATEMENT

OFFER

by

Paladin Energy Limited

ABN 47 061 681 098



to acquire all of your shares in

NGM Resources Limited

ABN 27 107 131 653

**For every 23.9 NGM Shares
you will receive 1 Paladin Share**

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document you should consult your financial or other professional adviser

Financial adviser:



Legal adviser:

Blake Dawson

Important Information

Key Dates

Bidder's Statement lodged with ASIC	2 September 2010
Offer opens (date of Offer)	6 September 2010
Offer closes (unless extended)	5.00 pm (Perth time) 8 October 2010

This Bidder's Statement is dated 2 September 2010.

This Bidder's Statement is given by Paladin Energy Limited ABN 47 061 681 098 to NGM Resources Limited ABN 27 107 131 653 under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated 6 September 2010 to acquire your NGM Shares and also sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 2 September 2010. ASIC takes no responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. These terms are defined in section 11.

Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial situation and particular needs of any person. Before deciding whether or not to accept the Offer you may wish to seek independent financial and taxation advice.

Forward looking statements

This Bidder's Statement contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While Paladin believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in section 7 of this Bidder's Statement, as well as other matters as yet not known to Paladin or not currently considered material by Paladin, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

NGM and Merged Entity Information

The information in this Bidder's Statement concerning NGM has been prepared by Paladin using primarily publicly available information and limited information made available to Paladin and has not been independently verified. Accordingly, Paladin does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on the Merged Entity contained in this Bidder's Statement, to the extent that it incorporates or reflects information on NGM, has been prepared using publicly available information and limited information made available to Paladin and has not been independently verified. Accordingly, information in relation to the Merged Entity is subject to the foregoing disclaimer to that extent.

The information on NGM should not be considered comprehensive. Further information relating to NGM may be included in NGM's Target Statement which will be sent to you by NGM.

Offers outside Australia

Shareholders should note that the consideration under the Offer is securities of Paladin, an Australian public company listed on ASX, TSX, NSE and on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Shareholders whose address in the NGM register of members is not in Australia or New Zealand (**Foreign Ineligible Shareholders**) will not be entitled to receive Paladin Shares on acceptance of the Offer (unless Paladin determines otherwise). Foreign Ineligible Shareholders who accept the Offer will be paid a cash amount calculated in accordance with section 10 of this Bidder's Statement.

This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement to or from any person where, or in any jurisdiction in which, the issue, sale or purchase of such securities would be unlawful. The distribution of this Bidder's Statement to persons or in jurisdictions outside Australia may be restricted by law and any person into whose possession this Bidder's Statement comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. The Paladin Shares have not been, and will not be, registered under the *US Securities Act 1933* (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons except pursuant to an exemption from such registration requirements. Accordingly neither this Bidder's Statement nor the Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States, except in compliance with the requirements of an exemption from such registration requirements.

Privacy collection statement

Personal information relating to your shareholding in NGM has been obtained by Paladin or its agents from NGM in accordance with its rights under the Corporations Act. Paladin will share this information with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. Paladin, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer. If you would like details of your personal information held by Paladin or its agents please contact Paladin at Level 4, 502 Hay Street, Subiaco, Western Australia 6008.

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Chairman's letter

2 September 2010

Dear NGM Shareholder

The Board of Paladin Energy Limited (**Paladin**) is delighted to provide you with the opportunity to participate in the merger of NGM's assets with Paladin's own strong portfolio of assets, and to welcome you as a shareholder of our organisation.

The proposed offer by Paladin to acquire all the shares in NGM which was announced on 21 July 2010 (**Offer**) has been unanimously recommended by the Board of NGM, in the absence of a superior offer. I believe that the Offer is very attractive both in terms of the premium offered and the opportunities available to the combined group within the global uranium market. Paladin is offering to acquire all of your NGM Shares on the basis of 1 Paladin Share for every 23.9 NGM Shares you hold. The Offer values each NGM Share at \$0.15 based on the closing price of Paladin Shares on the ASX on 20 July 2010 (being the last trading day prior to announcement of the Offer) which provides you with a 54% premium to the 5 day volume weighted average price of NGM shares on 16 July 2010 (being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer).

The NGM Directors and employees are to be congratulated for their achievements to date, with respect to NGM's uranium prospects in Niger's Tim Mersoï Basin. The large landholding in the uranium prospective province has yielded encouraging results from NGM's exploration work. However, it is still early days for these prospects and significant additional exploration at considerable cost and technical risk is still required.

If you accept the Offer and retain your Paladin Shares, you will become a shareholder in an established uranium production company that has an extensive portfolio of uranium assets providing shareholders the benefits of geographic diversity, existing uncommitted mine product and a pipeline of quality opportunities at varying stages of development. This includes Paladin's Langer Heinrich uranium mine and processing operation, located in Namibia, which is operational with a current annual production of 3.7Mlb U₃O₈ (with an expansion currently being constructed to increase production to 5.2Mlb per annum) and the Kayelekera uranium mine and processing operation, located in Malawi, which has recently been successfully commissioned and has a nameplate capacity of 3.3Mlb U₃O₈ per annum.

In addition to retaining exposure to NGM's early stage uranium exploration assets in Niger, you will also obtain exposure to Paladin's portfolio of quality exploration assets in Queensland, Western Australia and the Northern Territory.

You will also benefit from a proven board and management team with a strong mix of uranium specific skills and experience, including geology, processing, construction, marketing and project finance. The full benefits of Paladin's multi-discipline uranium expertise and financial capacity can be applied to NGM's Niger prospects. With the lack of activity in uranium mining and processing globally over the last thirty years, a team with the depth and breadth of uranium specific experience such as that compiled by Paladin is very difficult to replicate, particularly within single project companies.

Lastly, there are advantages attached to a holding of Paladin Shares, rather than NGM Shares, due to Paladin's status as an operator with sustainable cash flow, strong balance sheet and enhanced stock market liquidity.

The Paladin Board has a clear vision for Paladin to become a major world supplier and marketer of uranium. This will be achieved through a growth strategy that is focused on acquiring additional development opportunities beyond 2010, and developing its strategic uranium marketing subsidiary, Paladin Nuclear. Together these initiatives are designed to allow Paladin to develop a multi-mine production base and uranium inventory aimed at providing it with stability and flexibility of supply in the dynamic global uranium market.

On behalf of the Paladin Board, I encourage you to carefully read the details of our Offer and I look forward to shortly welcoming you as a shareholder of Paladin.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rick Crabb', written in a cursive style.

Mr Rick Crabb
Chairman

Reasons why you should accept Paladin's Offer

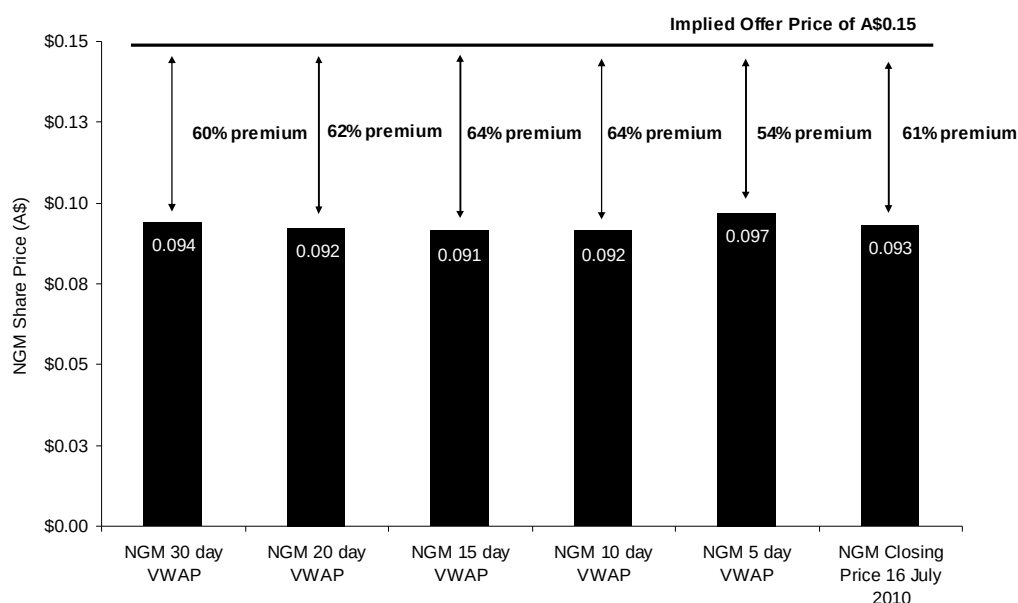
The Offer price presents a significant premium to NGM's pre-Offer share price

The Offer represents a significant premium to the trading levels of NGM Shares prior to the Announcement Date.

The consideration under the Offer comprises 1 Paladin Share for every 23.9 NGM Shares. Based on the closing price of Paladin Shares on the ASX on 20 July 2010 (being the last trading day prior to announcement of the Offer) of A\$3.58, the value of the scrip consideration under the Offer (**Implied Offer Price**) is A\$0.15 per NGM Share.

Figure 1 below illustrates the attractive premiums this Implied Offer Price represents to the trading prices of NGM Shares prior to the Announcement Date.

Figure 1: Paladin's Offer Price Premium to NGM Share Price



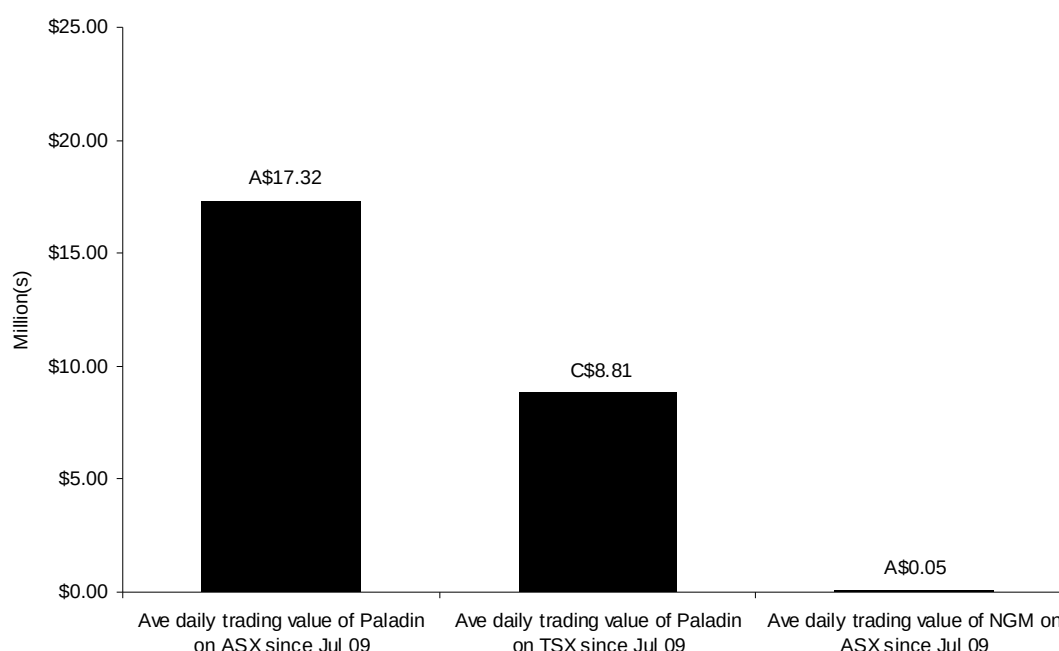
Notes:

- **VWAP** means the volume weighted average price of NGM Shares for the stated number of trading days to 16 July 2010, being the last trading day prior to NGM Shares being placed in a trading halt and the subsequent announcement of the Offer.
- The Implied Offer Price is based on Paladin's Offer of one Paladin Share for every 23.9 NGM Shares and the closing price on the ASX for Paladin Shares on 20 July 2010 (the last trading day before the announcement of the Offer) of A\$3.58.
- Eligible NGM shareholders who accept the Offer will be issued Paladin Shares in accordance with the terms of the Offer and the reference to the Implied Offer Price should not be taken as suggesting that NGM shareholders that accept the Offer will receive cash. The Implied Offer Price is not fixed. As you are being offered Paladin Shares as consideration for your NGM Shares, the Implied Offer Price will vary with the market price of Paladin Shares.
- As permitted by ASIC Class Order 07/429, Figure 1 contains ASX share price trading information sourced from Bloomberg without its consent.

You will benefit from the enhanced equity market presence and liquidity of the merged entity

Paladin is included in a number of ASX indices published by Standard & Poor's (in particular the S&P ASX100 index), has extensive stock broker research coverage and Paladin Shares are significantly more liquid than NGM Shares. As shown in the Figure 2 below, the historical average daily trading value of Paladin Shares on both the ASX and TSX since July 2009 is significantly greater than the trading value of NGM Shares. As a holder of Paladin Shares, should you choose to sell your holding, you will, in general, be able to do so much more rapidly than if you held NGM Shares of the same value.

Figure 2: Comparison of Average Daily Trading Values of Paladin and NGM



Notes

- Trading value on ASX stated in Australian dollars and trading value on TSX stated in Canadian dollars.
- As permitted by ASIC Class Order 07/429, Figure 2 contains ASX and TSX share price trading information sourced from Bloomberg without its consent.

The Offer gives you the opportunity to become a shareholder in Paladin, an established uranium producer with development and exploration upside

By accepting the Offer and it being declared unconditional, eligible NGM shareholders will become shareholders in an established uranium production company that has an extensive portfolio of uranium assets providing shareholders the benefits of geographical diversity, existing uncommitted mine product and a pipeline of quality opportunities at varying stages of exploration and development.

Over the past four years, Paladin has developed, constructed and commissioned its 100% owned Langer Heinrich mine and processing plant in Namibia (**Langer Heinrich Mine**), and the Kayelekera uranium mine and processing plant in Malawi (**Kayelekera Mine**) (where Paladin has an 85% interest in the subsidiary which owns that mine).

During the 12 months ended 30 June 2010, the Langer Heinrich Mine produced 3.35Mlb and Kayelekera Mine produced 0.96Mlb of U_3O_8 , a combined total of 4.32Mlb of U_3O_8 . In the same period, the Paladin Group sold 3.73Mlb of U_3O_8 for a total value of US\$202 million. By accepting the Offer, you will also obtain significant exploration upside through Paladin's portfolio of quality exploration assets in Queensland, Western Australia and the Northern Territory.

See section 2 for further information on Paladin's projects.

It is more likely that NGM's uranium assets will be developed under Paladin's ownership

Paladin has a management team with a solid track record and proven experience in developing uranium projects (see section 2 for further information). This management team includes specialists in geology, mining, processing, marketing, project development and financing. The Paladin management team has demonstrated their ability, originally via the Langer Heinrich Mine and more recently via the Kayelekera Mine, to identify, explore, develop, construct and commission uranium mines. The Paladin management team's expertise will increase the likelihood of developing and bringing NGM's uranium assets (if viable) into production.

In addition, NGM does not currently have any cash-generating assets and it is likely that NGM will need to obtain further funding in the near future to continue its exploration and development activities on its uranium assets. Obtaining new capital on advantageous terms may prove difficult in the current turbulent equity and debt market environment. In contrast, Paladin has a strong balance sheet and is currently generating operating cash flow from its uranium producing operations. As a consequence, Paladin is much more likely than NGM to be able to secure the funding for the significant capital investment required to further explore, develop and bring NGM's uranium assets into production, and to do so on more advantageous terms.

The Offer is unanimously recommended by the NGM Directors, in the absence of a superior offer

The NGM Directors have unanimously recommended the Offer, in the absence of a superior offer. The NGM Directors who hold NGM Shares have also indicated that they intend to accept the Offer in respect of their own shareholdings, in the absence of a superior offer.

There is no higher offer and given Paladin's existing 22.48% interest the likelihood of another bidder emerging is low

As at the date of this Bidder's Statement, no other party has made a takeover offer for NGM Shares. As Paladin has a current holding of approximately 22.48% of the NGM Shares on issue, the prospect of a rival bid is considered by Paladin to be low.

Unless Paladin agrees to sell into a competing bid for NGM, its current shareholding precludes any other bidder from acquiring the 90% minimum ownership level required to proceed to compulsory acquisition under the Corporations Act. In addition, Paladin's shareholding would also make it very difficult, albeit not impossible, for another party to acquire control of NGM through a scheme of arrangement without Paladin's agreement.

You may be eligible for tax rollover relief

If, as a result of the Offer, Paladin becomes the holder of 80% or more of NGM Shares, and NGM shareholders would otherwise make a capital gain in respect of the disposal of NGM Shares, NGM shareholders may be entitled to CGT scrip-for-scrip rollover relief. Such rollover relief may allow NGM shareholders to disregard any capital gain, in whole or in part, that they would otherwise arise in respect of the disposal of their NGM Shares.

See Section 8 for further information in relation to the availability of CGT rollover relief and taxation considerations generally. See also Section 8 for details of the risks of this rollover relief not being available under the Offer in certain circumstances.

Key questions

This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

1. What is the Bidder's Statement?

The Bidder's Statement sets out the terms of Paladin's Offer and information relating to the Offer and the consideration you will receive.

2. What is the Offer?

Paladin is offering to acquire your NGM Shares by way of an off-market takeover offer. The Offer extends to all NGM Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Convertible Securities.

The Offer consideration is 1 Paladin Share for every 23.9 NGM Shares.

If you become entitled to a fraction of a Paladin Share under this Offer, the number of Paladin Shares you are entitled to will be rounded up to the nearest whole number (if the fraction is 0.5 or greater) or rounded down to the nearest whole number (if the fraction is less than 0.5).

3. What is the value of the Offer?

Based on the closing price of a Paladin Share on the ASX on 20 July 2010 (the last trading day before the announcement of the Offer) the implied Offer value is A\$0.15 per NGM Share. The implied value of the Offer will change as a consequence of changes in the market price of Paladin Shares.

4. Who is Paladin?

Paladin operates in the resource industry. Its principal business is the evaluation, development and operation of uranium projects in Africa and Australia.

Paladin is listed on several exchanges around the world, with its primary listing on the ASX. Paladin has additional listings, including on the TSX and the NSE.

5. What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in section 8.

6. How do I accept the Offer?

To accept the Offer you should follow the instructions set out in section 10.7.

7. Can I accept the Offer for part of my holding?

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your NGM Shares plus any additional NGM Shares registered as held by you at the date your acceptance is processed.

8. What happens if I do not accept the Offer?

Subject to what is stated below, you will remain the holder of your NGM Shares if you do not accept the Offer.

If Paladin obtains a relevant interest in at least 90% of the NGM Shares (by number) on issue at any time during the Offer Period and the other conditions are satisfied or waived, Paladin presently intends to proceed to compulsorily acquire your NGM Shares if you have not accepted the Offer (see section 5.6). At the conclusion of the compulsory acquisition process, you will receive 1 Paladin Share for every 23.9 NGM Shares which are compulsorily acquired. You will receive consideration for your NGM Shares sooner if you accept the Offer.

If Paladin has an interest in less than 90% of the NGM Shares, Paladin will not be able to proceed to compulsorily acquire your NGM Shares. Paladin's intentions if it has an interest in less than 90% of NGM Shares are described in section 5.

9. Can I withdraw my acceptance?

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, Paladin varies the Offer in a way that postpones for more than 1 month the time when Paladin has to pay you under the Offer (for example if Paladin extends the Offer for more than 1 month while the Offer remains conditional).

10. When does the Offer close?

The Offer is currently scheduled to close at 5.00 pm (Perth time) on 8 October 2010, unless extended or withdrawn.

11. Can Paladin extend the Offer Period?

Yes, the Offer can be extended by Paladin or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

12. Can I sell on the market the shares I receive from accepting the Offer?

Yes. You will be able to sell on the ASX the Paladin Shares you receive.

In addition, Paladin Shares to be issued under the Offer will also be listed on TSX (subject to the satisfaction of TSX's conditions for listing) and upon listing will be freely tradable. Upon listing, you will be able to sell your Paladin Shares on TSX, subject to opening a brokerage account in Canada if you do not already have one and completing all necessary documentation.

13. What if I am a foreign shareholder?

Certain foreign holders of NGM Shares will not be entitled to receive Paladin Shares on accepting the Offer. These foreign shareholders who accept the Offer will be paid the net cash sale proceeds of Paladin Shares which they would otherwise have received (see section 10.22). The foreign holders to which this applies are (unless Paladin determines otherwise) holders of NGM Shares whose address as shown in the register of members of NGM is in a jurisdiction other than Australia and its external territories or New Zealand.

14. What if I am entitled to an unmarketable parcel of Paladin Shares?

If you accept this Offer and the total number of Paladin Shares you are entitled to receive as consideration under this Offer is an unmarketable parcel, you will be paid the net cash sale proceeds of Paladin Shares which you would otherwise have received (see section 10.23). An unmarketable parcel for this purpose is such number of Paladin Shares that has a total value of less than \$500, calculated based on the highest closing price for Paladin Shares on the ASX during the bid period.

15. If I accept the Offer, when will I receive Paladin Shares?

If you accept this Offer, Paladin will, in the usual course, issue you with Paladin Shares on or before the earlier of:

- (a) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be issued Paladin Shares are set out in section 10.19.

16. Will I need to pay brokerage or stamp duty if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your NGM Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Paladin, you will not incur any brokerage connected with you accepting the Offer.

If your NGM Shares are in a CHESS Holding or you hold your NGM Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

17. What are the conditions to the Offer?

The conditions of the Offer are set out in section 10.12. These conditions include:

- that at the end of the Offer Period Paladin has a relevant interest in at least 90% of the NGM Shares on issue;
- that no action is taken by Public Authority that adversely affects the Takeover Bid;
- that no prescribed occurrence occurs during the period from the Announcement Date to the end of the Offer Period;
- a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offers;
- conditions relating to changes in the business, assets, liabilities, financial position, performance, profitability or prospects of NGM;
- that during the period from the Announcement Date to the end of the Offer Period, the S&P ASX200 index does not close below 3,743.06 for five or more consecutive days;
- that NGM does not make any material acquisitions or disposals, enters into any material transactions (including joint ventures and partnerships), or commits to any material capital expenditure or liability, that was not publicly announced before the Announcement Date;
- conditions relating to the conduct of NGM's business;
- that during the Condition Period, no person obtains 10% or more of voting power in NGM (unless that person already held 10% or more of such voting power prior to the Announcement Date);

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- that prior to 11 September 2010, NGM provides in writing to Paladin all necessary Public Authority approvals for the extension of the Niger Tenements until December 2012;
 - that the TSX consents to the issue and listing of the Paladin Shares to be issued under the Offer, on an unconditional basis, or subject only to customary conditions;
 - that Société Générale, Australia Branch (ABN 71 092 516 286), in its capacity as agent under the Common Terms Agreements, consents to the acquisition of NGM Shares by Paladin under the Offer;
 - that before the end of the Condition Period, all NGM Options have been exercised, cancelled or transferred to Paladin or agreement has been reached between Paladin, NGM and the holders of the NGM Options to do so; and
 - that before the end of the Condition Period, all NGM Incentive Shares have been converted to NGM Shares.

The above is only a summary. The full terms of these conditions are set out in 10.12.

18. What happens if the conditions of the Offer are not satisfied or waived?

If the conditions of the Offer are not satisfied or waived before the Offer closes the Offer will lapse. Paladin will make an announcement to the ASX if the conditions of the Offer are satisfied or waived during the Offer Period.

19. Are there any risks in accepting the Offer?

If you accept the Offer you will become a shareholder in Paladin. There are risks in holding Paladin Shares and these are summarised in section 7. You are already exposed to several of these risks, to varying degrees, as a result of holding NGM Shares.

What you should do next

- Step 1:** Carefully read the entire Bidder's Statement and consider the information provided.
- Step 2:** Read the Target's Statement to be provided by NGM.
- Step 3:** If you need advice, consult your Broker or your legal, financial or other professional adviser.
- Step 4:** If you wish to accept the Offer follow the instructions below.

How to accept the Offer

You should read section 10.7 for full details on how to accept the Offer.

CHESS Holdings

If your NGM Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holdings

If your NGM Shares are in an Issuer Sponsored Holding, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

If your SRN begins with an "I", this indicates that your NGM Shares are in an Issuer Sponsored Holding.

Participants

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

1. SUMMARY OF THE OFFER

The Bidder	Paladin is the company making the Offer.
The Offer	Paladin offers to acquire all of your NGM Shares.
Offer consideration	You are offered 1 Paladin Share for every 23.9 NGM Shares.
Closing date	Unless withdrawn or extended the Offer is open until 5.00 pm Perth time on 8 October 2010.
Payment date	If you accept this Offer Paladin will, in the usual case, pay you the consideration for your NGM Shares to which Paladin acquires good title on or before the earlier of: (a) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional. Full details on when you will be paid are set out in section 10.19.
Conditions	The Offer is subject to the conditions set out in section 10.12 of this Bidder's Statement. These conditions include: • that at the end of the Offer Period Paladin has a relevant interest in at least 90% of the NGM Shares on issue; • that no action is taken by Public Authority that adversely affects the Takeover Bid; • that no prescribed occurrence occurs during the period from the Announcement Date to the end of the Offer Period; • a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offers; • conditions relating to changes in the business, assets, liabilities, financial position, performance, profitability or prospects of NGM; • that during the period from the Announcement Date to the end of the Offer Period, the S&P ASX200 index does not close below 3,743.06 for five or more consecutive days; • that NGM does not make any material acquisitions or disposals, enters into any material transactions (including joint ventures and partnerships), or commits to any material capital expenditure or liability, that was not publicly announced before the Announcement Date; • conditions relating to the conduct of NGM's business;

- that during the Condition Period, no person obtains 10% or more of voting power in NGM (unless that person already held 10% or more of such voting power prior to the Announcement Date);
- that prior to 11 September 2010, NGM provides in writing to Paladin all necessary Public Authority approvals for the extension of the Niger Tenements until December 2012;
- that the TSX consents to the issue and listing of the Paladin Shares to be issued under the Offer, on an unconditional basis, or subject only to customary conditions;
- that Société Générale, Australia Branch (ABN 71 092 516 286), in its capacity as agent under the Common Terms Agreements, consents to the acquisition of NGM Shares by Paladin under the Offer;
- that before the end of the Condition Period, all NGM Options have been exercised, cancelled or transferred to Paladin or agreement has been reached between Paladin, NGM and the holders of the NGM Options to do so; and
- that before the end of the Condition Period, all NGM Incentive Shares have been converted to NGM Shares.

How to accept

CHESSE Holdings

You should read section 10.7 for full details on how to accept the Offer.

If your NGM Shares are in a CHESSE Holding, to accept you must either:

- instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- complete, sign and return the Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holdings

If your NGM Shares are in an Issuer Sponsored Holding, to accept you must complete, sign and return the Acceptance Form.

Signed Acceptance Forms must be received before the end of the Offer Period at:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840
Australia

A business reply-paid envelope is enclosed.

No stamp duty

You will not pay any stamp duty on accepting the Offer.

Further information

For questions about your NGM Shares, the Offer or how to accept the Offer please refer to the remainder of the Bidder's Statement.

2. INFORMATION ON PALADIN

2.1 Overview

Paladin operates in the resource industry. Its principal business is the evaluation, development and operation of uranium projects in Africa and Australia.

Paladin is listed on several exchanges around the world, with its primary listing on the ASX. Paladin has additional listings on the TSX, on the Munich, Berlin, Stuttgart and Frankfurt Stock Exchanges in Europe and on the NSE.

2.2 Directors of Paladin

Brief profiles of the Paladin Directors are as follows:

- (a) **Mr Rick Wayne Crabb (Non-executive Chairman)** Age 53
B. Juris (Hons), LLB, MBA, FAICD

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects, including financing, marketing, government agreements and construction contracts, of many resource development projects in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies. He is also the non-executive chairman of Golden Rim Resources Ltd (since 2001), Ashburton Minerals Ltd (since 1999) and Otto Energy Ltd (since 2004). Mr Crabb is a councillor on the Western Australian Division of the Australian Institute of Company Directors.

Mr Crabb was appointed to the Paladin Board on 8 February 1994 and as Chairman on 27 March 2003.

- (b) **Mr John Borshoff (Managing Director)** Age 65
B.Sc., F.AusIMM, FAICD

Mr Borshoff is a geologist who has been involved in the Australian and African exploration and mining industry for over 30 years. Mr Borshoff worked for International Nickel and Canadian Superior Mining before joining a German mining group, Uranerz from 1976 to 1991. He became Chief Geologist/Exploration Manager during the period 1981-1986 and served as its chief executive from 1987 to mid-1991 when the German parent of Uranerz made the decision to close its Australian operations. The primary focus of the Uranerz Group was the search and development of uranium with the company operating extensively throughout Australia, North America and Africa.

Mr Borshoff has extensive knowledge of the uranium industry and experience in company management, strategic planning and administration. He serves on a number of industry organisations including the Board of the Minerals Council of Australia and the Board of the Australian Uranium Association and is also the chairman of its Code of Practice working committee.

Mr Borshoff founded Paladin and was appointed to the Paladin Board on 24 September 1993.

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- (c) **Mr Sean Reveille Llewelyn (Non-executive Director)** Age 62
LL.B

Mr Llewelyn originally qualified as a solicitor in Australia and England. He has subsequently worked in the finance and merchant banking industries for more than 20 years in Australia, the UK, the United States and South Africa. His considerable finance experience has been in derivatives, structured finance and early stage investment relating to the metal markets. He has been involved with the uranium industry for many years and has a comprehensive understanding of the uranium market.

Mr Llewelyn had a key role in the formation of a joint venture company between Anglo Gold and First Rand International to assume marketing responsibility for uranium on behalf of Nuclear Fuels Corporation of South Africa (Nufcor).

Mr Llewelyn was appointed to the Paladin Board on 12 April 2005.

- (d) **Mr Ian Urquhart Noble (Non-executive Director)** Age 69
BSc (Metallurgy), F.AusIMM, ARCST

Mr Noble has more than 40 years' experience covering the mining, chemical and nuclear industries with a strong emphasis in the mining and mineral processing fields. He is a consultant, specialising in hydrometallurgy and comminution, and has been involved in many of the major mining developments within Australia and overseas. He has held senior management positions with both Wright Engineers Australia Ltd and Fluor Australia and took a lead role in the design of Australia's two major uranium processing plants.

Mr Noble's initial involvement with uranium was with Wright Engineers Pty Limited on the Rabbit Lake project in Canada. In Australia, in 1976, he was Lead Engineer on the Ranger Uranium Feasibility Study, followed by a three year involvement in the design construction phase, initially as Process Engineering Manager, and then a period as Project Engineer for the hydrometallurgical plant, and finally a year on site as Pre-Commissioning and Commissioning Manager. He was subsequently Lead Process Engineer for the design of Western Mining Corporation's Olympic Dam Project.

Mr Noble was appointed to the Paladin Board on 29 June 2005. Mr Noble has informed Paladin that he intends to resign from the Paladin Board with effect from the next Annual General Meeting to be held on 25 November 2010.

- (e) **Mr Donald Shumka (Non-executive Director)** Age 68
B.A., MBA

Mr Shumka is Vancouver-based and is the President and Managing Director of Walden Management Ltd., a consulting firm specialising in natural resources. From 1989 to 2004, he was Managing Director, Investment Banking with CIBC World Markets and Raymond James Ltd. Prior to 1989, Mr Shumka was Vice President, Finance and Chief Financial Officer of West Fraser Timber Co. Ltd., one of Canada's largest forest products companies. He holds a Bachelor of Arts Degree in Economics from the University of British Columbia and a Master of Business Administration Degree from Harvard University.

Mr Shumka was appointed to the Paladin Board on 9 July 2007.

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- (f) **Mr Peter Mark Donkin (Non-executive Director)** Age 53
BEc, LLB

Mr Donkin has 28 years experience in finance, of which the last 18 years have involved arranging finance in the mining sector. He was the Managing Director of the Mining Finance Division of Société Générale in Australia, having worked for that bank for 21 years in both their Sydney and London offices. Prior to that he was with the corporate and international banking division of the Royal Bank of Canada. His experience in finance has included structuring and executing transactions for mining companies, both in Australia and internationally in a wide variety of financial products, including project finance, corporate finance, acquisition finance, export finance and early stage investment capital. Mr Donkin holds a Bachelor of Economics degree and a Bachelor of Law degree from the University of Sydney. He is also a director of Sphere Minerals Ltd.

Mr Donkin was appointed to the Paladin Board on 1 July 2010.

- (g) **Mr Philip Baily (Proposed Non-executive Director)** Age 66
BSc, MSc

Mr Baily is a metallurgist with more than 40 years experience in the mining industry, including some 10 years in the uranium sector. Throughout his career he has been involved in the design, construction, commissioning and operations of mineral processing plants including two uranium plants. He has been involved with projects in several countries, including Australia, Papua New Guinea and Argentina. Mr Baily has extensive experience, at senior management level, in the evaluation of projects from grass roots developments to the acquisition of advanced projects and operating companies. These projects have been located throughout the world, many in developing countries and environmentally sensitive areas. Mr Baily holds a Bachelor of Science and a Master of Science degree from the University of New South Wales.

Mr Baily's appointment to the Paladin Board will take effect from 1 October 2010.

2.3 Senior management of Paladin

- (a) **Company Secretary**

Ms Gillian Swaby
B.Bus, FCIS, FAICD

Ms Swaby has been involved in financial and corporate administration for listed companies, as both director and company secretary, in a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, management accounting and corporate and financial management and has sat on a number of advisory committees.

Ms Swaby is past Chair of the Western Australian Council of Chartered Secretaries of Australia, a former Director on their National Board and lecturer for the Securities Institute of Australia. Ms Swaby is the principal of a corporate consulting company and was previously a member of the Paladin Board for a period of 9 years. She is also a non-executive director of Deep Yellow Limited and Comet Ridge Limited.

(b) **Engineering, construction and operations**

(i) **Mr Simon Solomons (Executive General Manager –Technical Service)**
BE (Hons), MSc

Mr Solomons has more than 30 years experience as a mining executive, holds a Master of Science (Mineral Economics) degree from Macquarie University and a Bachelor of Engineering (Mining Engineering) with first class honours from the University of New South Wales. Mr Solomons has worked for several major mining companies - Gold Fields Limited, North Limited, WMC Limited, Energy Resources of Australia Limited and Rio Tinto Limited. He was employed by Energy Resources of Australia Limited as Manager-Operations, then Resident Manager of its Ranger uranium mine in the Northern Territory, initially accountable for mining, plant and engineering operations and then overall site activities.

(ii) **Mr Wyatt Buck (Executive General Manager – Production)**
BE, P Eng

Mr Buck qualified as a Mechanical Engineer from the University of Saskatchewan in 1981. After 10 years of engineering work, largely in the mining sector, Mr Buck spent 15 years with Cameco Corporation, a Canadian uranium production company, eventually holding the position of General Manager of the McArthur River Mine and the Key Lake Mill. Previous to this, Mr Buck acquired operational experience at Cameco's Key Lake and Rabbit Lake uranium mining operations, holding a variety of key positions. These included Mill Manager, Maintenance Superintendent, Purchasing/Transportation Manager and positions within the Engineering and Projects sections, involving participation in the McArthur River and Cigar Lake feasibility studies.

(iii) **Mr Andrew (Jim) Morgan (General Manager – Project Construction)**
B.TEC elec

Mr Morgan has more than 25 years international experience gained in the project management, mining, engineering and construction fields. He is an internationally experienced consultant, specialising in the design, application and construction of large grinding and milling equipment and their associated drive systems. He has held senior engineering and project management positions for Svedala and Newcrest Australia and was involved in developing a number of the world's largest milling circuits such as the Cadia and the Olympic Dam projects. Mr Morgan was trained as a professional technology officer with the London metropolitan police force and holds qualifications in electrical engineering.

(iv) **Mr David Marsh (General Manager – Technical Project Development)**
BSc (Hons)

Mr Marsh completed a Bachelor of Science (Engineering) degree at Leeds University in the UK qualifying with Honours as a Mineral Processing Engineer in 1980. He has over 30 years international experience in the mining and metallurgical sector covering the full spectrum of project evaluation, development and operations. He has held senior technical and management positions in South Africa with GRD Minproc and Fluor Corporation, taking leading roles in the design, development and engineering of a large variety of projects located in Africa. During his time with Minproc, he was the Study Manager for the Langer Heinrich Bankable Feasibility Study. His most recent position prior to joining Paladin was

Manager: Metallurgy and Process Development for Barrick Gold Corporation in Toronto.

(c) **Marketing and sales**

(i) **Mr Dustin Garrow (Executive General Manager – Marketing)**
BA

Mr Dustin Garrow has more than 25 years experience in the nuclear fuel industry, primarily in marketing and sales of natural uranium concentrates (U_3O_8) and conversion services.

He has held a number of senior management/marketing positions with uranium production companies, including Rocky Mountain Energy (the natural resource subsidiary of Union Pacific Corporation), Everest Minerals, Energy Fuels Nuclear, and World Wide Minerals Ltd., as well as being the Vice-President, Marketing & Sales for ConverDyn, the sole provider of natural uranium conversion services in the United States.

He holds a B.A. in Economics from the University of California, Los Angeles and completed coursework for a Masters of Business Administration (management) from San Francisco State University.

(ii) **Mr James Eggins (General Manager – Sales & Contract Administration)**
BA, LLB (Hons)

Mr Eggins has been involved in marketing and sales administration in the uranium sector for 25 years. Mr Eggins began his career with Queensland Mines Limited which operated the Nabarlek uranium project in the Northern Territory. Mr Eggins subsequently worked on the Kintyre Project with CRA Limited before joining WMC Limited in 1989 where he spent 15 years in various marketing and commercial roles with the Olympic Dam business unit. Mr Eggins has served on various committees of the World Nuclear Association.

(d) **Finance and corporate**

(i) **Mr Garry Korte (Chief Financial Officer)**
CA, B.Com, H. Dip Acc

Mr Korte is a Chartered Accountant with 20 years experience in mining and related industries, including at director level.

Mr Korte completed his training with PricewaterhouseCoopers before working for Credit Suisse in London. This was followed by 10 years in financial controller and CFO roles in the mining and construction sectors in Africa. More recently Mr Korte gained investment banking experience with Resource Finance Corporation in Australia, held the position of General Manager Commercial for Brambles' mining services division and was an Executive Director and the CFO of Windimurra Vanadium Limited.

Mr Korte holds a Bachelor of Commerce and is a member of the Australian Institute of Chartered Accountants. He also qualified as a management accountant with the Chartered Institute of Management Accountants (C.I.M.A) (United Kingdom) and as a Chartered Accountant (South Africa).

(ii) **Mr Justin Reid (General Manager – Corporate Development)**
BSc., MSc., MBA

Mr Reid has over ten years' experience in the mining and finance industries and was from 2004 to 2009 a Director and Senior Mining Analyst with Cormark Securities Inc., one of Canada's leading independent brokerage firms.

Mr Reid began his career in a geological role with Cominco Ltd (Teck), focusing on international base metal and development projects within North and South America. He holds a Bachelor of Science in Geology from the University of Regina, a Master of Science in Geology from the University of Toronto, and a Master of Business Administration from The Kellogg School of Management at Northwestern University.

(iii) **Mr Brendan O'Hara (General Manager – Special Projects & Risk)**
BJuris (Hons), LLB, SF Fin

Mr O'Hara graduated with Bachelors of Laws and Jurisprudence (Honours) from the University of Western Australia in 1988, before joining a national Australian law firm, specialising in mergers and acquisitions, fundraising, securities industry law and corporate regulation. He then spent 13 years with the Australian Securities Exchange in various roles including WA State Executive Director and acting National Manager, Companies.

He is a Senior Fellow of the Financial Services Institute of Australasia and a Director of Good Samaritans Industries.

(iv) **Mr Greg Walker (General Manager – International Affairs)**

Mr Walker is accountable for managing Paladin's government, stakeholder and community relations and corporate social responsibility (CSR) programmes. He has more than 30 years' experience in the mining industry, in corporate relations, sales & marketing and general management roles. He is a former Group General Manager of External Relations for Rio Tinto Limited and Comalco Limited and has served as Chief Executive Officer of mining companies with projects located in Namibia, the Democratic Republic of Congo (DRC), Zambia and Russia. He has worked as an expatriate mining executive in Africa, India, Canada, Russia and Europe and has extensive experience in managing stakeholder issues for greenfield and brownfield developments.

(e) **Geology**

(i) **Mr Ed Becker (General Manager – Geology & Exploration)**
Dip. Geo. (Cologne), AusIMM

Mr Becker is a geologist with 29 years' experience in uranium, base and precious metal exploration and development. As General Manager - Geology & Exploration at Paladin he is responsible for exploration within Australia and overseas, encompassing management of all of Paladin's project activities. Mr Becker has been with Paladin since its inception. Previously he worked as Senior Geologist with Uranerz, an international German mining house, involved in uranium exploration and project evaluation throughout Australia and participated in that company's worldwide copper-gold-platinum-uranium research studies, a large part of which now form an integral component of Paladin's technical database.

(ii) **Mr David Princep (Principal Geologist – Resources)**
B.Sc. (Liverpool), MAusIMM

Mr Princep is a geologist with over 22 years experience in mineral analysis, IT systems, resource estimation, evaluation and mining of gold, base metal and uranium deposits in Australia and overseas. As Principal Geologist - Resources at Paladin he is responsible for all deposit resource estimation for the Paladin Group, both within Australia and overseas. Mr Princep has been with Paladin since 2006. Previously he worked as Consulting Geologist with Hellman & Schofield, a consulting group, where he was involved in resource estimation and project evaluation throughout Australia and overseas.

(f) **Environment**

Ms Cathy Gupanis (General Manager – Sustainable Development)
BSc

Ms Gupanis graduated with a Bachelor of Science, majoring in Environmental Science, from Murdoch University in Western Australia in 1982. Ms Gupanis has over 25 years experience principally consulting to the mining and industrial sectors and has project managed numerous approval processes for major project developments in Western Australia. She has provided strategic advice to the mining industry on approvals and environmental matters, undertaken environmental baseline monitoring studies, developed and coordinated environmental management programmes, conducted closure planning and planned and implemented stakeholder consultation programmes. Ms Gupanis managed the environmental and social aspects of the Rio Tinto Kintyre Uranium Project from its initial exploration phase in the late 1980s up until its recent sale. Until her current appointment, Ms Gupanis was a consultant adviser to the Paladin Group on the environmental aspects of its exploration and development projects in Africa and Australia.

2.4 History, structure and ownership of Paladin Group

(a) **History**

Paladin was incorporated on 24 September 1993 in Western Australia.

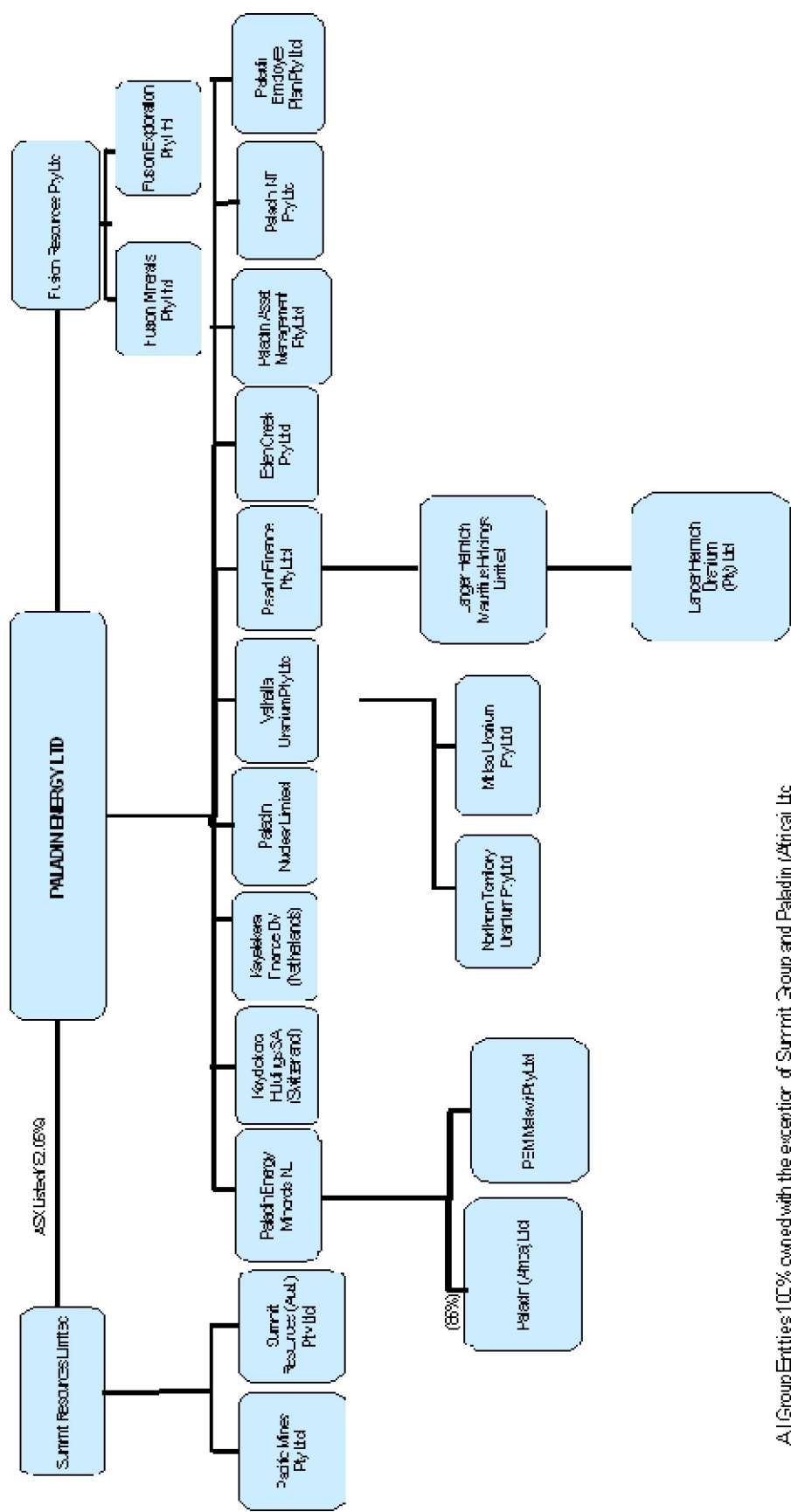
(b) **Ownership**

Given its multiple listings, Paladin has a geographically diverse shareholder base. To the best of its knowledge, Paladin is not directly or indirectly controlled by another corporation or any person or foreign government. Paladin has one substantial shareholder, The Capital Group Companies, Inc., which has a relevant interest in 5.01% of Paladin Shares.

(c) **Structure**

The corporate structure of Paladin and the companies it controls is as follows:

Figure 3: Paladin Corporate Structure



All Group Entities 100% owned with the exception of Summit Group and Paladin (Africa) Ltd

2.5 Principal activities of Paladin Group

(a) Namibia

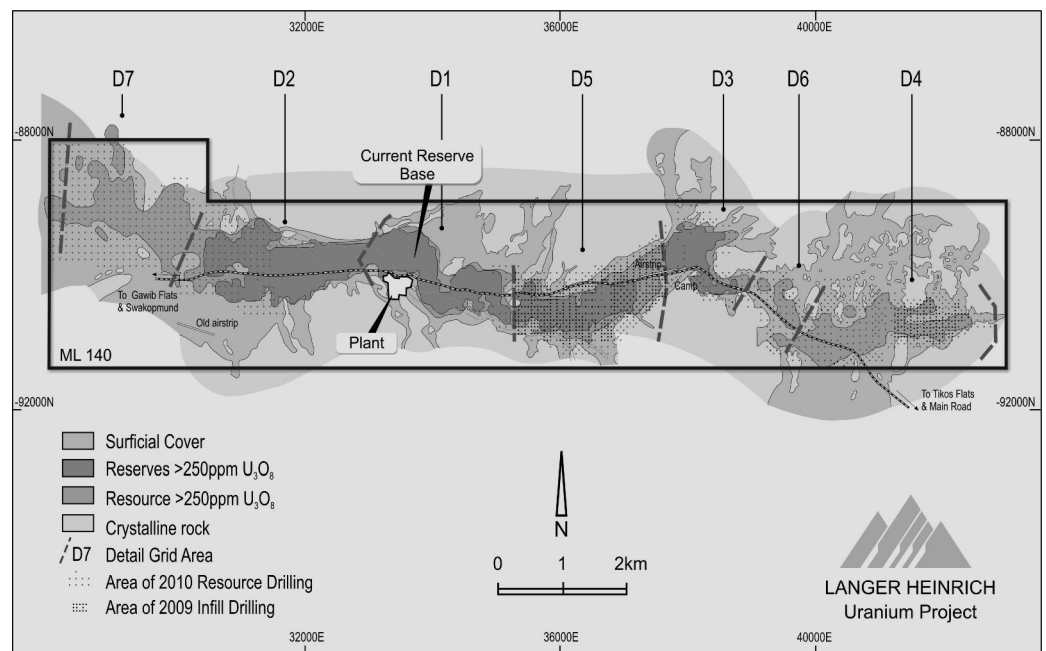
LANGER HEINRICH MINE

The Langer Heinrich Mine in Namibia is owned 100% by Paladin through its wholly-owned Namibian subsidiary Langer Heinrich Uranium (Pty) Ltd. Paladin purchased the Langer Heinrich Mine in September 2002.

The Langer Heinrich Mine is situated on Mining Licence 140, granted to Langer Heinrich Uranium (Pty) Ltd on 26 July 2005 for a term of 25 years. The licence covers an area of approximately 44km².

Langer Heinrich is a surficial, calcrete type uranium deposit containing a Mineral Resource of 127Mt U₃O₈ at a grade of 0.06% U₃O₈ (250ppm U₃O₈ cut-off grade) in seven mineralised zones designated Detail 1 to 7, within a 15km length of a contiguous paleodrainage system. The deposit is located in the Namib Nankluft Desert, 80km from the major seaport of Walvis Bay. Figure 4 shows the location of the uranium mineralisation along the length of the Langer Heinrich valley.

Figure 4: Langer Heinrich Resource Map



Current resources stand as announced on 28 August 2008. This resource represents a significant uplift to the previous resource announced in early 2006 with an increase of 68% in tonnes and 3% decrease in grade combining to produce a 64% increase in contained metal. The current Mineral Resource is detailed in Figure 5 below at a cut-off grade of 250ppm U₃O₈.

Figure 5: Mineral Resource estimate (at 250ppm U₃O₈ cut off) as depleted for mining for Details 1 to 7 (announced on 28 August 2008):

	Mt	Grade % U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Measured Mineral Resources	32.8	0.06	19,582	43.2
Indicated Mineral Resources	23.6	0.06	13,276	29.3
Total	56.4	0.06	32,858	72.4
Inferred Mineral Resources	70.7	0.06	41,557	91.6

Note: individual figures may not add up to the total figure due to rounding and are quoted inclusive of any Ore Reserves.

On 24 September 2008 Paladin announced a revised Ore Reserve estimate for the Langer Heinrich deposit for Details 1, 2, 3 and 5 conforming to both the JORC and NI 43-101 codes. This is set out in Figure 6 below.

Figure 6: Updated Ore Reserve estimate (at 250ppm U₃O₈ cut off) as depleted for mining for Details 1, 2, 3 and 5 (announced on 24 September 2008)

	Mt	Grade % U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Proved Ore Reserve	30.0	0.06	17,924	39.50
Probable Ore Reserve	20.6	0.06	11,950	26.34
Total Ore Reserve	50.6	0.06	29,874	65.84

Note: individual figures may not add up to the total figure due to rounding.

Figures 5 and 6 show the Mineral Resource and Ore Reserve estimates, as depleted for mining up to the end of May 2008, and is exclusive of stockpiles of 3.5Mt at a grade of 514ppm U₃O₈.

The cost parameters used in the Ore Reserve estimate are now well established and as such their inclusion can be reasonably justified. The revenue rate used in the estimate was US\$60 per pound.

A drilling programme intended to upgrade the bulk of the previously defined uranium resources to the Indicated and Measured Mineral Resources JORC categories was completed in May 2010. A total of 1,203 holes for 38,592m were drilled. An upgraded Mineral Resource estimate is expected to be released during the September 2010 quarter. This will be used for a new Ore Reserve estimate to underpin the Stage 4 feasibility study to expand production at Langer Heinrich to 10Mlb U₃O₈ pa.

Langer Heinrich Exploration (EPL3500)

EPL3500 abuts the Langer Heinrich Mining Lease to the west and includes the sediment covered western extension of the mineralised Langer Heinrich palaeochannel. This Exclusive Prospecting Licence was granted for a period of three years from 23 October 2006. In July 2009, Langer Heinrich Uranium (Pty) Ltd submitted an application to renew EPL 3500 for a further two years from 23 October 2009 to 22 October 2011. The application is currently awaiting approval by the Mining Commissioner in Namibia. Pending the Commissioner's determination, EPL3500 remains in force.

Exploration under the EPL3500 started in 2008 with a helicopter borne electromagnetic (EM) survey to better define the palaeochannel. Results from widespaced follow-up drilling in 2008 indicated that the channel widens considerably when entering EPL3500 causing the uranium mineralisation to disperse, resulting in lower grade and thinner mineralisation. A new drilling programme has been completed to better define any possible westward extensions of the Langer Heinrich uranium mineralisation in the 500m adjacent to the Langer Heinrich Mining Licence. The results of the drilling programme are expected to be incorporated with the updated Langer Heinrich Mineral Resource estimate (referred to above), anticipated to be released during the September 2010 quarter.

Operations

During the 2009/10 financial year Langer Heinrich produced 3.35Mlb of U_3O_8 versus 2.70Mlb U_3O_8 the previous financial year, an increase of 24%. The plant has been running consistently at Stage 2 rates (3.7Mlb U_3O_8 pa) since November 2009 and it is now evident the current levels of production can be sustained. All circuits are running at design capacity, with ion exchange remaining as the area of the plant with the most opportunity to further expand production.

Construction of the Stage 3 expansion to take production from 3.7Mlb pa to 5.2Mlb pa is progressing well and is currently causing very limited interruptions on the normal plant operations. During the next three quarters, however, some plant operating downtime is expected to facilitate the tie-in of major components. In some instances the tie-ins will start contributing to increased performance of the existing plant.

Further information in respect of the Langer Heinrich Uranium Mine can be found in the technical report "Langer Heinrich, Namibia Resource and Reserve Estimation" dated 26 September 2008, which is available on SEDAR under Paladin's profile at www.sedar.com.

(b)

MALAWI

KAYELEKERA MINE

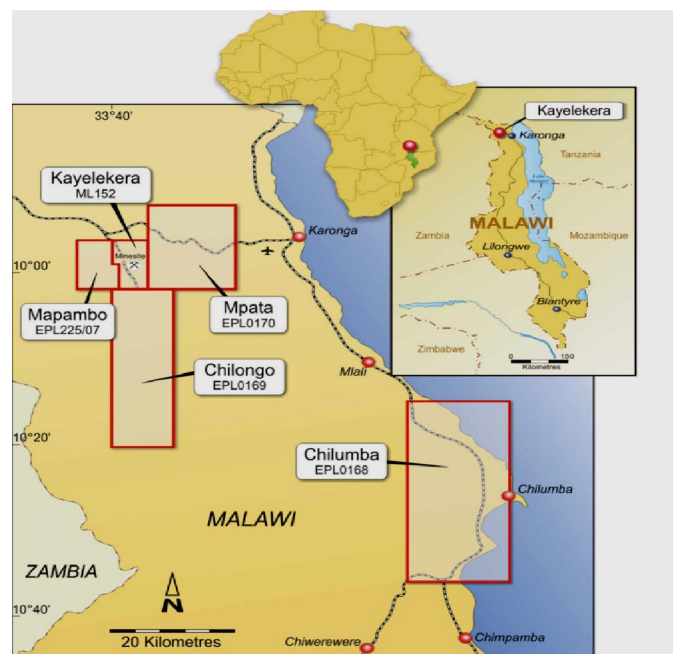
The Kayelekera Mine is owned 100% by Paladin (Africa) Ltd (**PAL**). The Government of Malawi has a 15% equity interest in PAL which was issued under the terms of the Development Agreement signed between PAL and the Government of Malawi in February 2007. Paladin, through its wholly owned subsidiaries, owns the remaining 85% of equity in PAL.

The project site is located in northern Malawi, 52km by road from the local centre of Karonga and 642km by road north of the national capital of Lilongwe.

The Kayelekera member of the North Rukuru sediments, which hosts the uranium mineralisation of the Kayelekera deposit, consists of an alternating succession of reduced coarse grained arkoses, grey carbonaceous shales and chocolate coloured mudstones. In its reduced state the arkose, containing many pink feldspar clasts, is a well cemented rock with a dark grey, carbonaceous matrix. On weathering the arkoses become dark brown in colour due to the formation of hydrous iron oxides in the matrix and much more porous, and the carbonaceous debris and pyrite is removed by oxidation leaving cavities. Uranium mineralisation occurs as lenses within arkose units S, T and arkose-mudstone units U, V, W and arkose units X1 - X3 of the Kayelekera member to a depth of approximately 100m.

The Kayelekera Project comprises one mining licence and four exclusive prospecting licences. The Mining Licence, ML 152, covering 5,550 hectares was granted to PAL in April 2007 for a period of 15 years, following the completion of a Development Agreement with the Government of Malawi, a Bankable Feasibility Study and Environmental Impact Assessment. The exclusive prospecting licences, three of which about Mining Licence 152 to the east, south and west, were granted in 2005/2007 and cover an area of 1,298 km². The four licences reach the end of their current term in December 2010 and PAL intends to seek their renewal for a further two-year term. Figure 7 shows the location of the Mining Licence and exclusive prospecting licences.

Figure 7: Project Map



Construction of the Kayelekera Mine started in April 2007 and production commenced in early 2009.

The mine is designed to give an annual production of 3.3Mlb U₃O₈ from the processing of 1.5Mtpa of sandstone and associated ores by grinding, acid leaching, resin-in-pulp extraction, precipitation and drying to produce saleable product.

Mineral Resources and Reserves

Unless stated otherwise, the Mineral Resource and Ore Reserve estimates and production figures below relate to the whole Kayelekera Mine and are not split according to PAL's underlying shareholding.

Following the completion of the initial phase of the final drill out of the Kayelekera ore body to the west of the current pit, an updated Mineral Resource estimation has been undertaken and is detailed in Figure 8 below. The final phase of drilling commenced in July 2010 and will be followed by an updated Mineral Resource and Ore Reserve estimate expected to be completed in the December 2010 quarter.

Figure 8: Mineral Resource estimate for Kayelekera (at 300ppm U₃O₈ cut-off), conforming to both JORC (2004) and NI 43-101 codes (announced on 22 April 2010):

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Measured Mineral Resources	3.51	1,241	4,357	9.6
Indicated Mineral Resources	17.22	769	13,242	29.19
Total	20.73	849	17,599	38.80
Inferred Mineral Resources	5.50	625	3,433	7.57

Note: individual figures may not add up to the total figure due to rounding and are quoted inclusive of any Ore Reserves.

At the end of March 2010, an additional 308,289t at a grade of 956ppm U₃O₈ for a total of 295t (0.65Mlb) U₃O₈ were contained in ROM stockpiles. While the majority of the overall Mineral Resource increase (from that previously announced) is attributed to the substantial increase in Inferred Mineral Resources category (up 63% to 3,433t U₃O₈) there has still been a small (6%) increase in Measured and Indicated Mineral Resource categories. The Mineral Resource increase is primarily due to the inclusion of wide spaced drilling undertaken on the western margins of the existing resource. It is expected that the resource definition drilling which commenced in July 2010 will convert a substantial portion of the Inferred Mineral Resources category located in the western portion of the ore body into Measured and Indicated Mineral Resources. At this time, as there has been negligible change in Measured and Indicated Mineral Resources, an updated Ore Reserve estimation is not warranted (the existing Ore Reserve estimation is set out in Figure 9 below). The Mineral Resource estimate is based on downhole gamma probes to produce equivalent U₃O₈ grades. This methodology is the same as that used for mining grade control measures and resource estimation at both the Kayelekera Mine and Langer Heinrich Mine.

Ore Reserves

Figure 9: Ore Reserve estimate for Kayelekera (at 400ppm U₃O₈ cut-off), conforming to both the JORC (2004) and NI 43-101 codes (announced on 20 November 2008):

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Proved Ore Reserve	2.87	1,373	3,943	8.7
Probable Ore Reserve	9.75	959	9,342	20.6
Total	12.62	1,053	13,285	29.3

Note: individual figures may not add up to the total figure due to rounding.

Compared to the previous Ore Reserve of 25.1Mlb announced in 2007 (also reported at a 400ppm cut-off) the above Ore Reserve estimate outlined in Figure 9 above represents a 17% increase in contained U₃O₈.

The cost parameters used in the Ore Reserve estimation are now well developed and include contracted schedules for such items as reagents and contract mining, and as such their inclusion can be reasonably justified. The revenue rate used in the estimate was US\$60/lb.

The Ore Reserve estimate outlined in Figure 9 above, when compared with the previous Ore Reserve estimate announced in 2007, suggests an increase in mine life of 1½ years to 9 years at a production rate of 3.3Mlb U₃O₈ per annum when the inferred material occurring within the pit design is included. Processing of marginal ores at the end of mine life is expected to add an additional 3-4 years to the project life.

Kayelekera Exploration

At the start of the September 2010 quarter, Paladin commenced a 9,000m RC drilling programme west of the of the Kayelekera pit to upgrade the previously announced Mineral Resources to the Indicated and Measured JORC/NI43-101 categories. An upgraded Mineral Resource estimate is expected to be released in the December 2010 quarter. The revised Mineral Resource will be used for a new Ore Reserve estimation which is expected to extend the mine life beyond the current 9 years.

Operations

The Kayelekera uranium plant produced its first product during April 2009 and has showed a significant quarter by quarter improvement in production since then. In the June 2010 quarter, production totalled 515,478lb U₃O₈, an increase of 125% over the preceding quarter. For the year ended 30 June 2010, Kayelekera production totalled 963,875lb U₃O₈.

Kayelekera production ramp-up, although slower than initially forecasted, has produced a steady improvement in performance. In June 2010 the plant operated at its design capacity for significant periods and produced commercial quantities of uranium that met specification. Consequently Paladin has taken the decision to declare that the Kayelekera Mine is in commercial production from 1 July 2010 and that no further costs will be capitalised after 30 June 2010.

Further information in respect of the Kayelekera Mine can be found in the NI43-101 technical report "Kayelekera, Malawi Resource and Reserve Estimation" dated 5 January 2009, which is available on SEDAR under Paladin's profile at www.sedar.com.

(c) QUEENSLAND

Summit Resources (Aust) Pty Ltd (**SRA**), a wholly-owned subsidiary of Summit Resources Ltd, operates the:

- Isa Uranium Joint Venture (**IUJV**) (SRA - 50% participating interest and Mount Isa Uranium Pty Ltd (**MIU**) - 50% participating interest); and
- Mount Isa North Uranium Project (SRA - 100% interest).

The above projects comprise five granted exploration licences covering an area of approximately 1,460km² in aggregate and host a number of uranium- vanadium deposits and resources including IUJV's Valhalla and Skäl deposits.

Paladin holds approximately 82.05% of the ordinary shares in Summit Resources Ltd and all the shares in MIU. In April 2009, Paladin completed the takeover of Fusion Resources Ltd. This added Fusion's Valhalla North Project (currently located on 457km² of tenements), including resources at Honey Pot and Duke Batman, to the suite of Queensland uranium projects in which Paladin has an interest.

ISA URANIUM JOINT VENTURE (IUJV)

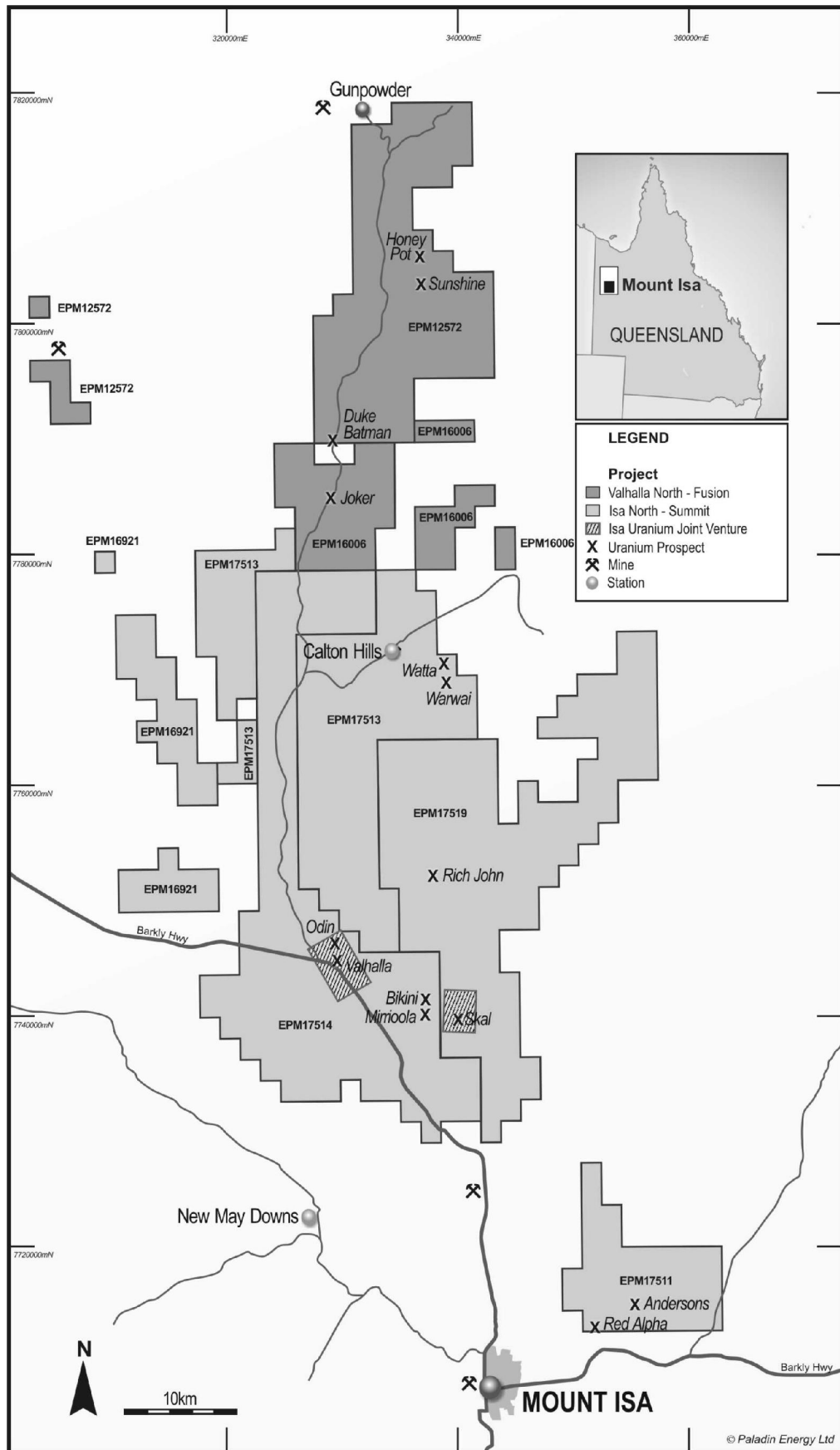
Summit Resources (Aust) Pty Ltd (SRA) 50% as Manager and Mount Isa Uranium Pty Ltd 50% (MIU)

The area the subject of the IUJV covers ground which includes the Valhalla and Skal uranium deposits 40km north of Mount Isa in Queensland.

SRA and MIU each have a 50% participating interest in the IUJV. SRA is the manager of IUJV. MIU is a wholly-owned subsidiary of Valhalla Uranium Ltd, a formerly listed company and now a wholly-owned subsidiary of Paladin (following Paladin's successful takeover of Valhalla Uranium in 2006). In combination with Paladin's current shareholding of 82.05% in Summit Resources, Paladin's effective participating interest in the IUJV is currently 91.03%.

The ground subject to the IUJV covers 17km² at Valhalla and 10km² at Skal (see Figure 10 below for further details). These two areas lie within a much larger holding of contiguous and near contiguous tenements of 1,917km² which are held 100% by SRA and Fusion and managed by Paladin.

Figure 10: IUJV Project Area



Valhalla Uranium Deposit

The Valhalla uranium deposit is located 40km northwest of Mount Isa on EPM 17514. Substantial widths of high grade uranium mineralisation in albite-carbonate-hematite breccias and mylonites as well as altered mafic schists have been intersected in the latest drilling at Valhalla. The deposit is hosted within basalts and basaltic sediments of the Eastern Creek Volcanics, trends north-south, and is approximately 1,100m in strike length.

SRA completed a drilling programme of 52 holes for 11,739m at both Valhalla and Valhalla South by the end of June 2009. The holes have been drilled on a nominal 80m x 40m grid pattern to infill the existing drill holes and replace some historic drill holes as well as extend the known mineralisation at Valhalla South along strike and at depth. The majority of these drill holes have been downhole gamma logged and gyroscopically surveyed to obtain accurate hole orientation using SRA-owned equipment. The resource data set is a combination of chemical assays and appropriately calibrated down hole gamma logging. Gamma derived grades have been validated against both X ray fluorescent (XRF) and chemical assay derived grades.

The current Mineral Resource estimate for the Valhalla uranium deposit is contained in Figure 11 below and is quoted with a cut-off grade at 230ppm U_3O_8 .

Figure 11: Mineral Resource estimate for Valhalla (at 230ppm U_3O_8 cut-off)* (announced on 29 October 2009)

	Mt	Grade ppm U_3O_8	Tonnes U_3O_8	Mlb U_3O_8
Measured Mineral Resources	12.66	833	10,549	23.2
Indicated Mineral Resources	18.53	900	16,680	36.7
Total	31.20	874	27,229	60.0
Inferred Mineral Resources	5.2	859	4,494	9.9

*Note: Resources quoted at 100%, and not according to participating interests of joint venture participants of IUJV. Individual figures may not add up to the total figure due to rounding.

The Measured and Indicated Mineral Resources increased by 9.9% to 60.0Mlb U_3O_8 (27,229t U_3O_8) from that previously announced of 55.4Mlb U_3O_8 (25,153t U_3O_8). Total Mineral Resources increased from that previously announced of 67.5Mlb U_3O_8 to 69.9Mlb U_3O_8 .

The main Valhalla deposit now has a strike length in excess of 1,100m. The mineralisation extends from surface to a depth of over 650m and is structurally controlled with a characteristic southerly plunge. Valhalla South is located approximately 600m along strike to the south-east of the main mineralised zone and has a strike length of at least 400m and appears open both along strike and at depth.

Subsequent drilling programmes have led to the discovery of the Odin Prospect, located approximately 500m north of the Valhalla ore body. Further drilling, which is required to define the shape of the mineralisation, is planned to continue throughout the September 2010 quarter with a maiden Mineral Resource expected to be announced in the December 2010 quarter.

Skal Uranium Deposit

The Skal uranium deposit is located 32km north of Mount Isa on EPM 17519. A total of 13 RC holes and 28 diamond core holes (for 5,724m) had been completed by the end of June 2009 and this data has been incorporated into the existing Skal dataset. The drilling was successful in confirming the resource potential at Skal East, which had previously been identified by geological mapping and associated ground geophysical surveys, as well as depth extensions at Skal South.

At Skal East, located approximately 300m east of Skal North and South, drilling has identified a new uranium mineralisation zone on the north-east trending albites along a strike length of 250m. The centre of the mineralisation is up to 30m thick narrowing to the north and south.

A new Mineral Resource estimate for Skal East and the greater Skal Mineral Resource are detailed below in Figures 12 and 13 respectively. The resource dataset used a combination of chemical assays and appropriately calibrated downhole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay derived grades. Whilst Skal East in particular has been closed off along strike there still appears to be potential for the resource to be open at depth in the centre. Drilling in the future will be targeted at confirming both the depth extensions to Skal East and North as well as depth and strike extensions to Skal East.

Figure 12: Mineral Resource estimate for Skal East (at 250ppm U₃O₈ cut-off)* (announced on 29 October 2009)

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Indicated Mineral Resources	4.3	575	2,458	5.4
Inferred Mineral Resources	0.8	448	348	0.8

*Note: Resources quoted at 100%, and not according to participating interests of joint venture participants of IUJV. Individual figures may not add up to the total figure due to rounding.

The Skal East Mineral Resource estimate tabled above show the initial Indicated Mineral Resources estimated for the deposit and represents a 38% increase on the previously Inferred (only) Mineral Resource of 3.9Mlb U₃O₈.

Figure 13: Mineral Resource estimate for Skäl - all deposits (at 250ppm U₃O₈ cut-off)* (announced on 31 December 2009)

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Indicated Mineral Resources	4.3	575	2,458	5.4
Inferred Mineral Resources	8.4	491	4,129	9.1

*Note: Resources quoted at 100%, and not according to participating interests of joint venture participants of IUJV. Individual figures may not add up to the total figure due to rounding.

MOUNT ISA NORTH URANIUM PROJECT

Summit Resources (Aust) Pty Ltd 100% and Operator

The Mount Isa North Uranium Project is centred approximately 45 km north of Mount Isa and covers an area of 1,460km². It contains numerous uranium anomalies, most of which still have to be investigated thoroughly. The project includes the Bikini, Watta and Anderson uranium deposits as well as numerous other uranium prospects.

On 27 October 2008, SRA entered into a Mining Rights Agreement with MM Mining Pty Ltd (now MM Mining (QLD) Ltd) (**MMM**) to enable MMM to explore for and potentially recover base metals on certain areas within SRA's Mount Isa North tenements. MMM does not gain any rights to uranium but must inform SRA should it become aware of any uranium mineralisation in the course of its activities. To earn these rights MMM must spend \$3.5 million on exploration within three years of the agreement date. SRA has a free carried 20% interest in any non-uranium project through to a decision to mine.

A Mineral Resource estimate conforming to the JORC guidelines for the Bikini uranium deposit located 36km north of Mount Isa on EPM 9221 (now, EPM 17514) was completed in 2008. The estimate covered the original Bikini deposit as well as the south western extension which was historically known as Pile and is based on SRA drilling only.

The current Mineral Resource estimate for the Bikini uranium deposit is:

Figure 14: Mineral Resource estimate for Bikini (at 250ppm U₃O₈ cut-off) (announced on 11 July 2008)

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Inferred Mineral Resources	10.1	517	5,216	11.5

Note: individual figures may not add up to the total figure due to rounding.

The Bikini deposit now has a strike length in excess of 1,100m with mineralisation extending from surface to a depth of over 400m and is structurally complex with a characteristic southerly plunge. Additional drilling is planned for the second half of 2010 with the intention of updating the existing Mineral Resource estimate.

FUSION – VALHALLA NORTH PROJECT

Paladin 100%

Paladin acquired 100% of Fusion Resources Ltd (**Fusion**) on completion of its takeover in April 2009.

The Valhalla North Project is located on two tenements (held by Fusion) covering an area of 457km² in aggregate, situated 40 to 75km north of the Valhalla deposit. The geological setting is similar to that of the Summit Resources / Paladin projects to the south where albitised basalts with interbedded metasediments are mineralised along east-west and north-south structures in Eastern Creek Volcanics.

Mineral Resources announced by Fusion in December 2008 at the Duke Batman and Honey Pot prospects at Valhalla North are shown in Figure 15 below.

Figure 15: Mineral Resource estimate for Fusion (at 250ppm U₃O₈ cut-off) (announced on 5 December 2008)

	Mt	Grade ppm U₃O₈	Tonnes U₃O₈	Mlb U₃O₈
Duke Batman				
Indicated Mineral Resources	0.50	780	0.39	0.86
Inferred Mineral Resources	1.61	630	1.02	2.24
Honey Pot				
Inferred Mineral Resources	2.56	700	1.80	3.96
Total Resource	4.67	690	3.20	7.06

Note: individual figures may not add up to the total figure due to rounding.

Further drilling undertaken by Paladin at Duke Batman has not extended the mineralisation but has identified a high grade core to the mineralisation. An updated Mineral Resource estimate for Duke Batman is expected to be released during the September 2010 quarter.

RESOURCE STATUS MOUNT ISA REGION – ALL PROJECTS

The Measured and Indicated Mineral Resources attributable to Paladin in the Mount Isa Region now totals 60.3Mlb U₃O₈ with Inferred Mineral Resources attributable to Paladin totalling 39.8Mlb U₃O₈. Details of individual Mineral Resources, conforming to the JORC code, for the deposits quoted are as follows:

Figure 16: Individual JORC compliant Mineral Resource figures (quoted on 100% basis) and total Mineral Resources attributable to Paladin

Deposit		Measured and Indicated Mineral Resources			Inferred Mineral Resources			Paladin Share	Total
	Cut-off ppm U ₃ O ₈	Mt	Grade ppm	t U ₃ O ₈	Mt	Grade ppm	t U ₃ O ₈		
Valhalla	230	31.2	874	27,229	5.2	859	4,494	91.0%	
Skal	250	4.3	575	2,458	8.4	491	4,129	91.0%	
Bikini	250				10.1	517	5,200	82.0%	
Andersons	230				2.0	1,050	2,100	82.0%	
Watta	230				4.2	410	1,720	82.0%	
Duke Bateman	250	0.5	780	388	1.6	630	1,016	100%	
Honey Pot	250				2.6	700	1,799	100%	
Total		36.0	837	30,075 (66.3Mlb)	34.1	600	20,458 (45.1Mlb)		50,533 (111.4Mlb)
Total Resources Attributable to Paladin		32.8	836	27,373 (60.3Mlb)	29.9	604	18,049 (39.8Mlb)		45,422 (100.2Mlb)

Note: individual figures may not add up to the total figure due to rounding.

OTHER SUMMIT RESOURCES PROJECTS (NON-URANIUM)

Mount Isa South, May Downs, Constance Range and Mount Kelly comprise the non-uranium projects of SRA, collectively described as the Western Isa tenements. A brief description of these projects is included below.

On 1 December 2007 Summit Resources Limited entered into a letter agreement with MM Mining Pty Ltd (now MM Mining (QLD) Ltd) to form a joint venture to explore for base metals over Summit Resources Limited's Western Isa tenements. On 19 March 2009 MM Mining (QLD) Ltd, MM Mining Ltd (formerly, MM Mining plc), SRA, Summit Resources Limited and Pacific Mines Ltd (a wholly-owned subsidiary of Summit Resources Limited) entered into the 'Western Isa Base Metals JV' for the farm out of 80% of SRA's interests in the tenements the subject of Western Isa Base Metals JV. Upon the farm out, SRA will retain a 20% free carried interest in these projects. To earn its interest, MM Mining (QLD) Ltd (which will be the manager of the joint venture) must spend \$8 million by 9 December 2010.

Mount Isa South

The Mount Isa South Project comprises over 1,716km² of prospective Proterozoic terrane along the Mount Isa Paroo Fault (MIPF) from 40km to 160km south of Mount Isa.

To date five exploration permits (covering an area of 467km²) have been granted and the remaining four exploration permit applications (covering an area of 1,249km²) are expected to be granted in the coming months. Centaurus Metals Limited has a 10% carried interest to mine development in one of the exploration permits (EPM14233).

May Downs

The May Downs Project comprises three granted exploration permits covering an area of 654km², 35km west of Mount Isa.

The potential for gold mineralisation in shale sequences along the 12km Golden Fault structure was drill tested in 2005. Several holes intersected narrow zones of anomalous gold generally associated with elevated copper values.

Constance Range

In the late 1950's and early 1960's BHP identified a number of deposits, hosted by the Train Range Ironstone member of the Middle Proterozoic Mullera Formation, in the area. BHP also identified deposits of phosphate rock at Babbling Brook Hill and at Riversleigh.

The Constance Range Project comprises five exploration permits covering an area of 551km². The tenements are centred 30km southwest to 45km northwest of Zinifex's Century zinc mine in far northwest Queensland.

Mount Kelly

The Mount Kelly Project comprises one granted exploration licence covering an area of 13km², located near CopperCo's Mount Kelly copper gold discovery, 90km northwest of Mount Isa. The target here is copper gold mineralisation in middle Proterozoic shales along northwest trending fault structures.

Satellite imagery and geophysical survey data has been acquired for the area, a review of all previous exploration is underway, and field mapping and geochemical sampling to delineate drill targets are planned.

(d) NORTHERN TERRITORY

BIGRLYI JOINT VENTURE

Energy Metals Limited 53.29% as Manager and Northern Territory Uranium Pty Ltd 41.71% (wholly-owned subsidiary of Paladin) and Southern Cross Exploration NL 5%

The area the subject of the Bigrlyi Joint Venture (**BJV**) comprises ten granted Exploration Retention Licences covering an area of 12.1 km² and is located approximately 390km northwest of Alice Springs in the Northern Territory.

Bigrlyi is located on the northern margin of the Neoproterozoic to Paleozoic Ngalia Basin in central Australia. Uranium mineralisation at Bigrlyi is confined to a specific narrow horizon within the lower Mount Eclipse Sandstone for which a local stratigraphic succession has been defined. The principal 16 uranium occurrences at Bigrlyi were discovered in 1973 in the course of regional exploration managed by Central Pacific Minerals NL on behalf of various joint venture partners including Magellan Petroleum Australia Ltd, Agip Nucleare Pty Ltd, Urangesellschaft GmbH & Co. and the Australian Atomic Energy Commission.

In July 2010, Energy Metals announced the following revised Mineral Resource estimate for the Bigrlyi uranium project:

Figure 17: Mineral Resource estimate for Bigrlyi (at 500 ppm U₃O₈ cut-off) (announced on 30 July2010):

	Mt	Grade ppm U ₃ O ₈	Tonnes U ₃ O ₈	Mlb U ₃ O ₈
Indicated Mineral Resources	4.7	1,316	6,100	13.5
Inferred Mineral Resources	3.4	1,202	4,600	8.9

Note: individual figures may not add up to the total figure due to rounding.

The Mineral Resources were estimated using multi indicator kriging (MIK) by Hellman & Schofield Pty Ltd. At a cut-off grade of 500ppm U₃O₈, the Bigrlyi Mineral Resource totals 22.4Mlb of U₃O₈. Approximately 60% of the contained uranium metal (or 6,100t U₃O₈) now reports to the Indicated Mineral Resource category, compared with 39% in the previous (March 2008) Mineral Resource estimate.

New mining studies undertaken have indicated that additional open pit resources would be required to maintain the viability of the project at current uranium prices. Consequently a further drilling programme was undertaken in 2009 comprising 69 RC holes for 8,118m and 9 diamond drilling holes for 750m, and resulted in the release of the Mineral Resource estimate set out above.

ANGELA JOINT VENTURE

Cameco Australia Pty Ltd 50% and Manager Paladin NT Pty Ltd 50%

The Angela Uranium Project is located 15km south of Alice Springs Airport in the Northern Territory.

In February 2008 the Northern Territory Government advised the 50:50 Joint Venture between Paladin Energy Minerals NL (a wholly-owned subsidiary of Paladin) and Cameco Australia Pty Ltd (Cameco) (operator) (**AJV**) had been chosen as the successful applicant for the Angela-Pamela Project. Exploration Licence 25758 (which covers an area of 38km²) was granted on 3 October 2008. On 28 October 2008, Paladin Energy Minerals NL transferred its interest in the AJV to Paladin NT Pty Ltd (a wholly-owned subsidiary of Paladin).

The AJV parties have committed to a comprehensive confirmatory and exploration work programme as well as a pre-feasibility study which, if successful, will then progress to a Bankable Feasibility Study and an Environmental Impact Assessment.

Extensive evaluation work was undertaken on the Angela and Pamela uranium deposits by Uranerz Australia Pty Ltd between 1972 and 1983. Uranium mineralisation was identified and data compiled to date indicates that it remains open at depth and laterally. Paladin owns all the original drill hole data for the deposit, including geology, geochemistry, downhole gamma surveys and feasibility studies. This information, together with Paladin's extensive in-house knowledge of the deposits, is expected to enable the AJV to move rapidly into the pre-feasibility assessment.

Drilling commenced on site in May 2009 and final assays from the drilling programme were received in early January 2010. These results were used to construct a new geological model. A Mineral Resource estimate is expected to be released in the September 2010 quarter.

(e) **WESTERN AUSTRALIA**

MANYINGEE URANIUM PROJECT

Paladin Energy Minerals NL 100%

The Manyingee Uranium Project is located in the northwest of Western Australia, 1,100km north of Perth and 85km inland from the coastal township of Onslow. The project comprises three mining leases covering an area of 1,307 hectares. Paladin also holds one granted exploration licence (EPL 08/1496) which covers an area of 89km² at Spinifex Well, 25km north-east of Manyingee.

Paladin purchased the Manyingee Project in 1998 from Afmeco Mining and Exploration Pty Ltd (AFMEX), a subsidiary company of Cogema of France. Paladin's 100% interest in Manyingee is held through its wholly-owned subsidiary, Paladin Energy Minerals NL.

AFMEX (previously named Total Mining Australia Pty Ltd) discovered uranium mineralisation at Manyingee in 1973 during regional exploration. Between 1973 and 1984 some 400 holes were drilled and this established the extent and continuity of the sediment hosted uranium mineralisation in permeable sandstone in palaeochannels. Field trials by AFMEX demonstrated that the Manyingee sandstone hosted uranium deposit is amenable to extraction by in-situ recovery (ISR).

Figure 18: JORC (1999) Code compliant Mineral Resource estimate for Manyingee Uranium Project (at a 0.03% U₃O₈ cut off):

JORC Category (1999)	Resource Mt	Grade % U₃O₈	U₃O₈ kt	U₃O₈ Mlb
Indicated Mineral Resources	7.9	0.10	8.1	17.8
Inferred Mineral Resources	5.5	0.05	2.8	6.2

Note: individual figures may not add up to the total figure due to rounding.

The change in State Government in Western Australia in November 2008 resulted in the removal of uranium mining restrictions in Western Australia. Subsequently Paladin reactivated the Manyingee Uranium Project and is planning to start field exploration at the Manyingee site during 2010. Since the ban was lifted work has mainly concentrated on achieving land access by obtaining all required permits and negotiating an Exploration Access Agreement with the Traditional Owners. This is yet to be completed.

OOBAGOOMA URANIUM PROJECT

Paladin Energy Minerals NL 100%

The Oobagooma Uranium Project is located in the West Kimberley region of Western Australia, 1,900km north-north-east of Perth and 75km north east of the regional centre of Derby. The Oobagooma Uranium Project comprises two long-standing applications for exploration licences covering an area of 392km².

In 1998 Paladin acquired a put and call option in relation to the purchase of the Oobagooma Uranium Project from Afmeco Mining and Exploration Pty Ltd (**AFMEX**), with a final payment to be made on exercise of the put and call option and grant of the tenements. The relevant area is situated on freehold land owned by the Commonwealth Government and used by the military for training purposes. Consent of the Commonwealth Government and the Department of Defence will be required to gain access to the training area for exploration.

The Oobagooma Uranium Project area was explored by AFMEX in the period from 1983 to 1986 during which time extensive zones of uranium mineralisation were discovered. An estimate of the uranium resources using geostatistical methods was carried out by AFMEX; however, work was done before the JORC Code had been formulated and was thus not carried out in accordance with the JORC Code.

The change in State Government in Western Australia in November 2008 resulted in the removal of uranium mining restrictions in Western Australia. Subsequently Paladin has started to engage the Commonwealth Government Departments of Finance and Defence to obtain permission to carry out exploration on the Oobagooma application areas.

(f) SOUTH AUSTRALIA

QUASAR URANIUM JOINT VENTURE

Paladin Energy Ltd 15-20% Quasar Resources Pty Ltd 75-80% and Manager

The joint venture with Quasar Resources Pty Ltd (Quasar) (**QUJV**), established in 2001, encompasses two exploration licences covering an area of 1,051km² in the northeast of South Australia. Paladin holds a 15% free carried interest in Exploration Licence 3903 at Mount Yerila and a 20% free carried interest in Exploration Licence 4134 at Petermorra. The QUJV is managed by Quasar, a wholly-owned subsidiary of Heathgate Resources Pty Ltd, operator of the Beverley ISR uranium mine which is situated immediately south of the QUJV tenements. Heathgate Resources Pty Ltd is an Australian subsidiary of General Atomics of the United States.

The two exploration licences are located in the northern part of the Curnamona Province, a 90,000km² block of shallow to outcropping basement rocks that extends from Olary, in the northeast of South Australia, 450km north east of Adelaide, to east of Broken Hill across the New South Wales border. The exploration licences are considered prospective for palaeochannel uranium mineralisation similar to that found and successfully developed at Beverley. Quasar is actively exploring the QUJV tenements and has conducted a number of drilling campaigns on the ground.

(g) **URANIUM DATABASE**

Paladin 100%

Paladin owns a substantial uranium database, compiled from over 30 years of investigations by the international uranium mining house Uranerzbergbau in Germany, incorporating all aspects of the uranium mining and exploration industry worldwide and including detailed exploration data for Africa and Australia.

Uniquely among Australian exploration companies, the primary focus of Paladin's activities in the past has been uranium. In that time Paladin has maintained and expanded the library of databases and it now holds a considerable amount of technical, geological, metallurgical, geophysical and geochemical data including country specific information such as mining laws or investment conditions comprising an estimated 60,000 individual books, documents, reports, reprints, and maps kept as hardcopies, microfiche and a rapidly growing library of electronic files.

The geology resource database is managed in an integrated relational database system readily available for processing of exploration and mining data.

It is this database that held all of the Angela Pamela Project technical information that Paladin believes gave the AJV the competitive edge to win the tender to acquire this important project. This underpins the significance of this asset for project generation.

Paladin continues to evaluate opportunities for acquiring additional uranium projects assisted by the database.

(h) **COMPETENT PERSON'S STATEMENT**

The information in sections 2.5(a) to 2.5(f) is based on information compiled by Mr David Princep, who is an employee of Paladin and a Member of the Australasian Institute of Mining and Metallurgy. Mr Princep has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person as defined in Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects (NI 43-101)*. Mr Princep consents to the inclusion in this Bidder's Statement of information compiled by him in the form and context in which it appears.

(i) **INVESTMENTS**

DEEP YELLOW LTD (DYL)

Paladin Energy Ltd 19.56%

DYL is a dedicated uranium exploration company listed on the ASX and the NSE with exploration holdings in Namibia and Australia.

Through its wholly-owned Namibian subsidiary, Reptile Uranium Namibia (Pty) Ltd, DYL is actively exploring for uranium in Namibia on its four 100% owned Exclusive Prospecting Licenses (EPLs) covering an area of 2,872km² and three joint venture EPLs covering an area of 1,323km² (DYL earning 65% from Nova Energy (Namibia) (Pty) Ltd) in the Namib Naukluft Desert Park (located inland from Walvis Bay and south and west of Paladin's Langer Heinrich Mine).

In Australia, DYL is focussed on resource delineation of mid to high grade discoveries in the Mt Isa district in northwest Queensland. These include the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects.

(j) FUTURE OPPORTUNITIES

As part of its growth strategy, Paladin will continue to assess potential acquisition and other corporate opportunities globally. At any one time, Paladin may have under consideration a range of potential opportunities, at different stages of assessment. Some of those opportunities might ultimately involve the issue of Paladin Shares. There is, of course, no assurance regarding the extent to which any of these opportunities will result in a transaction.

2.6 Financial Information on the Paladin Group

Summarised financial information relating to the Paladin Group is contained in section 6.

2.7 Paladin is a disclosing entity

As a disclosing entity for Corporations Act purposes, Paladin is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to Paladin may be obtained from, or inspected at, an ASIC office.

Each recipient of this Bidder's Statement has a right to obtain a copy of:

- (a) the Paladin 2009 Annual Report (being the annual financial report most recently lodged with ASIC by Paladin);
- (b) the half year financial report for the six months ended 31 December 2009 (lodged with the ASX on 12 February 2010); and
- (c) all continuous disclosure notices used to notify the ASX of information relating to Paladin after the lodgment of that annual financial report and before the lodgment of this Bidder's Statement with ASIC. The documents listed in Annexure A to this Bidder's Statement were lodged by Paladin with the ASX during this period.

In addition, each recipient of the Bidder's Statement may also request a copy of:

- (a) the preliminary results for the year ended 30 June 2010 (published by Paladin on 27 August 2010); and
- (b) if published during the Offer Period, the Paladin 2010 Annual Report.

Recipients of this Bidder's Statement who ask Paladin for a copy of any of those documents during the Offer Period will be given copies free of charge. The contact for this purpose is Felicity Evans at Level 4, 502 Hay Street, Subiaco, Western Australia 6008 on +61 (8) 9381 4366.

3. INFORMATION ABOUT PALADIN'S SECURITIES

3.1 Paladin issued securities

As at the close of business on the day before this Bidder's Statement was lodged with ASIC, Paladin had the following securities on issue:

- 718,423,382 Paladin Shares;
- 12,679,794 unlisted options to subscribe for Paladin Shares under the Paladin EXSOP;
- 4,670,220 unlisted performance share rights to subscribe for Paladin Shares under the Paladin Incentive Plans;
- US\$250,000,000 million in convertible bonds due December 2011 (further details of which are provided in section 3.6(a)); and
- US\$325,000,000 million in convertible bonds due March 2013 (further details of which are provided in section 3.6(b)).

3.2 Recent trading of Paladin's securities

The last market sale price of Paladin Shares on the ASX on 20 July 2010, being the last day of trading before the Announcement Date was A\$3.58.

The last market sale price of Paladin Shares on the ASX on 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$3.80.

The highest market sale price of Paladin Shares on the ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$5.18 on 21 October 2009.

The lowest market sale price of Paladin Shares on the ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$3.37 on 6 July 2010.

3.3 Rights attaching to Paladin Shares

(a) General

The Paladin Shares to be issued under the Offers will be issued fully paid and will rank equally for dividends and other rights with existing Paladin Shares.

Under section 140(1) of the Corporations Act, the constitution of Paladin has effect as a contract between Paladin and each member and between a member of Paladin and each other member. Accordingly, if you accept Paladin Shares as consideration you will, as a result, become liable to comply with the constitution of Paladin. However, since the Paladin Shares issued as consideration under the Offers will be issued credited as fully paid, no monetary liability attaches to them.

The constitution of Paladin also sets out the principal rights attaching to Paladin Shares. Section 3.3(b) provides a summary of these rights and the liabilities attaching to Paladin Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Paladin. Such rights and liabilities involve complex questions of law arising from the interaction of the constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

(b) Summary of rights

(i) Meetings of shareholders and voting rights

Each Paladin shareholder is entitled to receive notice of, attend and vote at general meetings of Paladin and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of Paladin or the Corporations Act or the ASX Listing Rules.

At a general meeting, every person present who is a Paladin shareholder or a proxy, attorney or representative of a Paladin shareholder has one vote on a show of hands and one vote on a poll for each fully paid share held. A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Voting at any general meeting of Paladin shareholders is by a show of hands, unless a poll is demanded by at least five Paladin shareholders entitled to vote on the resolution, or Paladin shareholders holding not less than 5% of the total voting rights of all shareholders having the right to vote on the resolution, or the chairman.

Where there are two or more joint holders of a share and more than one of them is present at a general meeting, in person or by proxy, attorney or representative, and tender a vote in respect of the share, Paladin will count only the vote cast by, or on behalf of, the Paladin shareholder whose name appears first in Paladin's register of members.

(ii) Issues of further shares

The Paladin Directors may, on behalf of Paladin, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Paladin Directors decide. However, the Paladin Directors must act in accordance with the restrictions imposed by Paladin's constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(iii) Dividends

The Paladin Directors may from time to time determine to distribute the profits of Paladin by way of dividend to Paladin shareholders entitled to the dividend. Each Paladin Share has the same dividend rights, subject to any special rights, arrangements or restrictions attached to the shares.

(iv) Winding up

Subject to any special resolution or special rights attaching to any Paladin Shares or class of shares, Paladin shareholders will be entitled on a winding up to a share in any surplus assets of Paladin in proportion to the shares held by them.

(v) Transfer of Paladin Shares

Subject to Paladin's constitution, the Corporations Act and the ASX Listing Rules, Paladin Shares are freely transferable.

Paladin shareholders may transfer their Paladin Shares by a written transfer in the usual form or by a proper transfer effected in accordance with the ASX Settlement Rules and ASX requirements. All transfers must comply with Paladin's constitution, the Listing Rules, the ASX Settlement Rules and the Corporations Act. The Paladin Directors may refuse to register a transfer of shares in circumstances permitted by the Listing Rules or the ASX Settlement Rules. If the Paladin Directors refuse to register a transfer, they must give the lodging party written notice in accordance with the Listing Rules. The Paladin Directors must refuse to register a transfer of shares where required to do so by the Listing Rules or the ASX Settlement Rules.

Paladin Shares are traded on the ASX and the TSX and may be transferred between the Australian and the Canadian share registers for trading on the relevant exchange through the facilities of Paladin's share registry in Australia or Paladin's transfer agent in Canada.

(vi) Dividend reinvestment and share plans

The Paladin Directors may adopt and implement dividend reinvestment plans (under which any Paladin shareholder may elect that dividends payable by Paladin be reinvested by way of subscription for fully paid shares in Paladin). The Directors can also establish a share plan under which any Paladin shareholder may elect to forego any dividends that may be payable on all or some of the shares held by that Paladin shareholder and to receive instead fully paid Paladin shares, to the extent determined by the Directors.

(vii) Alteration of capital

The procedures set out in sections 246B to 246E of the Corporations Act must be followed for any variation of rights attached to Paladin Shares. Under those sections, with the consent in writing of the holders of at least three quarters of the issued shares in the particular class, or the sanction of a special resolution passed at a meeting of the holders of shares in that class, the rights attached to a class of shares may be varied or cancelled. In either case, the holders of not less than ten per cent of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

(viii) Proportional takeovers

The constitution of Paladin requires shareholder approval where a proportional off-market takeover offer is made in respect of Paladin Shares. If such a takeover offer is made, the Paladin Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on.

Each Paladin shareholder (other than the offeror or persons associated with the offeror) who, as at the end of the day on which the first offer is made under the bid, held Paladin Shares has one vote for each Paladin Share held. The vote is decided on a simple majority.

If the resolution is not passed, transfers which would have resulted from the acceptance of an offer will not be registered and the offer will be taken to have been withdrawn.

(ix) Amendment

The constitution of Paladin may be amended only by a special resolution passed by at least three quarters of the votes cast by Paladin shareholders entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given.

3.4 Employee incentive plans

Paladin currently has in place two employee incentive plans (**Paladin Incentive Plans**): a performance share rights plan for employees and Paladin Directors (**Paladin Employee Plan**) and a performance share rights plan for contractors of Paladin (**Paladin Contractor Plan**). Prior to the approval of the Paladin Incentive Plans, Paladin issued a number of options to its directors, employees and consultants, under a prior incentive plan, the Paladin EXSOP, some of which remain outstanding. No further options will be issued under the Paladin EXSOP.

(a) **Paladin Incentive Plans**

Paladin shareholders approved the Paladin Incentive Plans on 25 November 2009.

The Paladin Incentive Plans provide for the issuing of performance share rights (**Performance Rights**) which are convertible into Paladin Shares, upon the Paladin Board determining that the performance conditions have been met.

The Paladin Employee Plan and the Paladin Contractor Plan are on substantially similar terms. The following paragraphs outline the key terms of the Paladin Incentive Plans. Unless stated otherwise, the information is applicable to both Paladin Incentive Plans.

Participation Conditions

In accordance with the requirements of the ASX Listing Rules, prior shareholder approval will be required before any Paladin Director or related party of Paladin can participate in the Paladin Incentive Plans.

Full time employees and permanent part-time employees (including directors) of Paladin and its subsidiaries are eligible to participate in the Paladin Employee Plan. Contractors engaged by Paladin and its subsidiaries are eligible to participate in the Paladin Contractor Plan.

Performance Conditions

The performance conditions that must be satisfied in order for the Performance Rights to vest are established by the Paladin Board.

The performance conditions may include: work performance of a minimum period of time, achievement of specific performance objectives by the participant or by Paladin, the payment of a cash amount by the participant or such other performance objectives as the Paladin Board may determine and set out in the offer to the participant.

Limits on entitlements and existing entitlements

The maximum number of Paladin Shares that may be issued under each Incentive Plan, when combined with:

- (i) the number of Paladin Shares that are issuable under any other Paladin employee incentive scheme (including the Paladin EXSOP), but excluding the Paladin Shares that are issuable under the other Incentive Plan; and
- (ii) the number of Paladin Shares issued during the previous five years pursuant to the Paladin Incentive Plans or any other Paladin employee incentive scheme,

but disregarding any offer made, or Performance Rights acquired or Paladin Shares issued by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (v) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Paladin Shares (or such other maximum permitted under any ASIC class order providing relief from the disclosure regime of the Corporations Act).

Consideration payable

No amount is payable in connection with the grant of a Performance Right. Paladin Shares that are issued upon conversion may be issued for no consideration, or the Paladin Board may, at the time of grant of the Performance Right, in its discretion, specify an amount payable for the issuance of Paladin Shares. That amount may not be below the market price of Paladin Shares on the date of grant of the Performance Right.

Term and lapse

Performance Rights have a term of seven years, or such other period determined by the Paladin Board (**Expiry Time**).

The Performance Rights will lapse, prior to the Expiry Time, if:

- (i) the performance conditions are not met by the relevant measurement date;

-
- (ii) the Paladin Board concludes that the participant has acted fraudulently or dishonestly or is in a material breach of his or her obligations to any Paladin group company;
 - (iii) under the Paladin Employee Plan, employment is terminated for cause or in circumstances other than retirement, disability, redundancy or death;
 - (iv) under the Paladin Contractor Plan, a contractor is terminated for any reason; or
 - (v) the participant fails to satisfy any cash payment performance condition within a specified period after a change of control event - see section entitled "Takeover bid or change of control" below.

Blackout periods

Performance Rights do not vest, and Paladin Shares may not be issued, under the Paladin Incentive Plans during a blackout period.

Assignment

Without approval of the Paladin Board, Performance Rights may not be transferred, assigned or novated, except upon death (by the participant's legal personal representative).

Takeover bid or change of control

All Performance Rights automatically vest in the event of a takeover bid, a change of control of Paladin, or approval by the court of a merger by way of scheme of arrangement (subject to the satisfaction by the participant of any cash payment performance condition, if relevant).

Amendment

The Paladin Board has the discretion to amend the rules of the Paladin Incentive Plans in accordance with the provisions of the Paladin Incentive Plans, without shareholder approval. All other amendments must be approved by the shareholders. The votes of insiders who benefit from the Paladin Incentive Plan being amended, and any other person (and its associates) who benefits from the Paladin Incentive Plans being amended, will be excluded.

(b) Paladin EXSOP

The Paladin EXSOP has been replaced by the Paladin Incentive Plans. However, prior to the approval of the Paladin Incentive Plans, Paladin issued a number of options to its directors, employees and consultants under the Paladin EXSOP, some of which remain outstanding. No further options will be issued under the Paladin EXSOP.

The maximum term of the options is five years from the date of grant, with the exercise price of the options being not less than the market value of a Paladin Share on the date of the grant. The options are convertible into Paladin Shares on a one for one basis and vest three years after their grant (or on such other date as determined by the Paladin Board). All options will vest immediately if there is a takeover or change of control of Paladin involving more than 50% of Paladin Shares.

The percentage of granted options which vest will be determined based on Paladin's performance in terms of Paladin's total shareholder return, compared with the other resource companies in the S&P ASX200 index, over the three years after the options are granted. 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. Unvested options lapse on termination of employment or as determined by the Paladin Board. Vested options lapse after various periods after termination of employment, depending on the relevant circumstances. Options were granted at no cost under the plan and carry no dividend or voting rights.

Further details of the Paladin EXSOP are set out in Paladin's Notice of AGM dated 17 October 2006, which is available from the ASX's website or Paladin's website (www.paladinenergy.com.au).

3.5 Performance Rights and Options on issue

(a) Performance Rights on issue under the Paladin Employee Plan

Number of Performance Rights	Vesting Date
616,370	1 September 2011 ⁽ⁱ⁾
1,023,950	1 September 2012 ⁽ⁱ⁾
919,160	1 September 2012 ⁽ⁱⁱ⁾
150,000	28 March 2013 ⁽ⁱⁱ⁾
1,228,740	1 September 2012 ⁽ⁱⁱⁱ⁾
150,000	30 June 2013 ^(iv)
150,000	26 March 2013 ^(v)

Note: see footnotes in section 3.5(b)

(b) Performance Rights on issue under the Paladin Contractor Plan

Number of Performance Rights	Vesting Date
72,000	1 September 2011 ⁽ⁱ⁾
120,000	1 September 2012 ⁽ⁱ⁾
96,000	1 September 2012 ⁽ⁱⁱ⁾
144,000	1 September 2012 ⁽ⁱⁱⁱ⁾

- (i) These Performance Rights will vest subject to the satisfaction of a "time based" performance condition. The performance condition will be satisfied (and the participant will automatically be issued with the corresponding number of Paladin Shares) if the participant continues to be an employee or contractor (as relevant) of Paladin, or any of its subsidiaries, as at the relevant vesting date.

- (ii) These Performance Rights will vest subject to the satisfaction of a condition relating to total shareholder return (**TSR**). The percentage of the Performance Rights which will vest will be dependent upon Paladin's TSR. The TSR measure for Paladin is concerned with the change in the Paladin Share price over the relevant period, plus dividends (if any) notionally reinvested in Paladin Shares, expressed as a percentage of the opening value. The TSR for Paladin from the date the offer of Performance Rights is made to the measurement date will be compared with the TSR of all mining companies in the S&P ASX200 index for the same period excluding, for such time as Paladin does not pay a dividend, all companies that paid a dividend during any year of the measurement period.

- (iii) These Performance Rights will vest subject to the satisfaction of a market price performance condition (which is measured against the Paladin Share price). These Performance Rights will vest if, at the measurement date, the Paladin Share price is 25% above the market price as at the date the offer of Performance Rights is made.

Performance Rights issued on 26 March 2010 will vest if the Paladin Share price is not less than A\$4.77 at close of market on the last trading day prior to 1 September 2012.

- (iv) See comments in (iii). Performance Rights issued on 8 July 2010 will vest if the Paladin Share price is not less than A\$4.45 at close of market on the last trading day prior to 30 June 2013.
- (v) These Performance Rights will vest subject to the satisfaction of a performance condition relating to the growth in Paladin's earnings per share (**EPS**). Paladin's EPS is determined by dividing the operating profit attributable to members of the Paladin Group by the weighted average number of Paladin Shares outstanding during the financial year. Growth in EPS will be measured by comparing the EPS in the base year, being 2010 and the measurement year, being 2013.

These Performance Rights will only vest if Paladin achieves average compound growth in EPS of at least 10% per annum over the three year performance period, calculated from the date of grant of the Performance Rights.

(c) Options on issue under the Paladin EXSOP

Number of options	Exercise Price	Expiry Date	Vesting Date
2,694,270	A\$8.77	01/02/2012	01/02/2010*
7,060,524	A\$4.50	29/01/2013	29/01/2011
300,000	A\$5.37	15/02/2013	15/02/2011
1,075,000	A\$4.59	18/04/2013	18/04/2011
750,000	A\$2.54	14/10/2013	14/10/2011
300,000	A\$2.07	25/12/2013	11/12/2011
500,000	A\$4.48	24/06/2014	24/06/2012

* Subject to retesting on 1 February 2011

3.6 Convertible bonds

(a) 2011 Convertible Bonds

On 30 November 2006, Paladin issued US\$250 million of convertible bonds due 2011. The convertible bonds are unsubordinated, unsecured obligations of Paladin, carry a coupon of 4.5% per annum (payable half yearly) and are convertible into Paladin Shares at US\$7.685 per share.

Bondholders have a right to convert the convertible bonds into Paladin Shares at the applicable conversion price at any time from 25 January 2007 to six New York business days before 15 December 2011.

Unless previously redeemed or converted, the convertible bonds will be redeemed at par on 15 December 2011. Paladin has the right to redeem all outstanding convertible bonds at their principal amount on or after 5 January 2010, if the Paladin Share price exceeds 130% of the conversion price.

The bondholders have the right to request that Paladin redeem the convertible bonds at their principal amount (together with accrued interest) if a change of control event occurs in respect of Paladin.

The convertible bonds are listed on the Singapore stock exchange.

The convertible bond covenants are in line with market practice, with events of default relating to non payment and cross defaults (the cross default provision is subject to a threshold of US\$10,000,000 and excludes default in respect of project finance indebtedness, as defined in the convertible bonds disclosure document).

The convertible bonds contain a negative pledge provision, in force for as long as any of the convertible bonds remain outstanding. Before granting new security interest over any of its assets (including uncalled capital) to secure an indebtedness in the form of notes, bonds, debentures and other securities, Paladin must satisfy the convertible bonds' trustee that the rights of the existing bondholders will be adequately protected.

Further information on the 2011 Convertible Bonds is contained in Paladin's ASX announcement dated 6 December 2006, available on its website (www.paladinenergy.com.au).

(b) 2013 Convertible Bonds

On 11 March 2008, Paladin issued US\$325 million of convertible bonds due 2013. The convertible bonds are unsubordinated, unsecured obligations of Paladin, carry a coupon of 5% per annum (payable half yearly) and are convertible into Paladin Shares at US\$6.59 per share.

Bondholders have a right to convert the convertible bonds into Paladin Shares at the applicable conversion price at any time from 21 April 2008 to six New York business days before 11 March 2013.

Unless previously redeemed or converted, the convertible bonds will be redeemed at par on 11 March 2013. Paladin has the right to redeem all outstanding convertible bonds at their principal amount on or after 1 April 2011, if the Paladin Share price exceeds 130% of the conversion price.

The bondholders have the right to request that Paladin redeem the convertible bonds at their principal amount (together with accrued interest) if a change of control event occurs in respect of Paladin.

The convertible bonds are listed on the Singapore stock exchange.

The convertible bond covenants are in line with market practice, with events of default relating to non payment and cross defaults (the cross default provision is subject to a threshold of US\$10,000,000 and excludes default in respect of project finance indebtedness, as defined in the convertible bonds disclosure document).

The convertible bonds contain a negative pledge provision, in force for as long as any of the convertible bonds remain outstanding. Before granting any new security interest on any of its assets (including uncalled capital) to secure an indebtedness in the form of notes, bonds, debentures and other securities, Paladin must satisfy the convertible bonds' trustee that the rights of the existing bondholders will be adequately protected.

Further information on the 2013 Convertible Bonds is contained in Paladin's ASX announcement dated 11 March 2008, available on its website (www.paladinenergy.com.au).

3.7 Paladin Directors' interests in Paladin securities

As at 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, the Paladin Directors had the following relevant interests in Paladin Shares, Paladin options and Paladin performance rights:

Director	Paladin Shares	Options (issued under the Paladin EXSOP)	Performance Rights (issued under the Paladin Employee Plan)
Mr John Borshoff	21,877,394	1,500,000 A\$8.77 options, exercisable on or before 1 February 2012 1,250,000 A\$4.50 options, exercisable on or before 29 January 2013	300,000
Mr Rick Crabb	4,881,528	Nil	Nil
Mr Sean Llewelyn	100,000	Nil	Nil
Mr Donald Shumka	50,000	Nil	Nil
Mr Ian Noble	21,000	Nil	Nil
Mr Peter Donkin	Nil	Nil	Nil

3.8 ASX listing of Paladin Shares

Paladin will apply for official quotation on the ASX and for listing on the TSX of the Paladin Shares to be issued under the Takeover Bid. Quotation on the ASX will not be automatic but will depend on the ASX exercising its discretion. Listing on the TSX will be subject to the satisfaction of customary conditions imposed by the TSX. Paladin has already been admitted to the official list of the ASX and is a reporting issuer in Canada. Shares in Paladin of the same class as those to be issued under the Takeover Bid are already quoted on the ASX and listed on the TSX. However, Paladin cannot guarantee, and does not represent or imply, that the Paladin Shares will be quoted or listed on either exchange.

4. INFORMATION ON NGM AND NGM SHARES

4.1 Disclaimer

The information in this section concerning NGM has been prepared by Paladin using primarily publicly available information and limited information made available to Paladin and has not been independently verified. Accordingly Paladin does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on NGM should not be considered comprehensive. Further information relating to NGM may be included in NGM's Target Statement which will be sent to you by NGM.

4.2 Overview of NGM

NGM is an ASX-listed diversified mineral exploration company focused on uranium and other metals.

NGM is a public company limited by shares. It was incorporated in Western Australia on 21 November 2003. NGM was admitted to the official list of the ASX on 3 May 2004.

4.3 Directors

As at the date of this Bidder's Statement, there are 3 directors of NGM:

- (a) Mr Geoffrey Dean Loftus-Hills (Non-executive Chairman);
- (b) Mr Robert Edward Kirtlan (Managing Director); and
- (c) Mr Steven John Chadwick (Non-Executive Director).

4.4 Ownership of NGM Group

As at 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, the name of the substantial shareholders in NGM, the number of NGM Shares to which the substantial shareholder (and its associates) have a relevant interest, as disclosed in substantial notices given to NGM (and filed at ASX) are:

Name of shareholder	Number of NGM Shares	Percentage of total NGM Shares
Paladin Energy Limited	40,573,574	22.48%
Pan Australian Nominees Pty Limited	21,176,530	11.74%
BH Asset Management Limited	11,971,772	6.63%

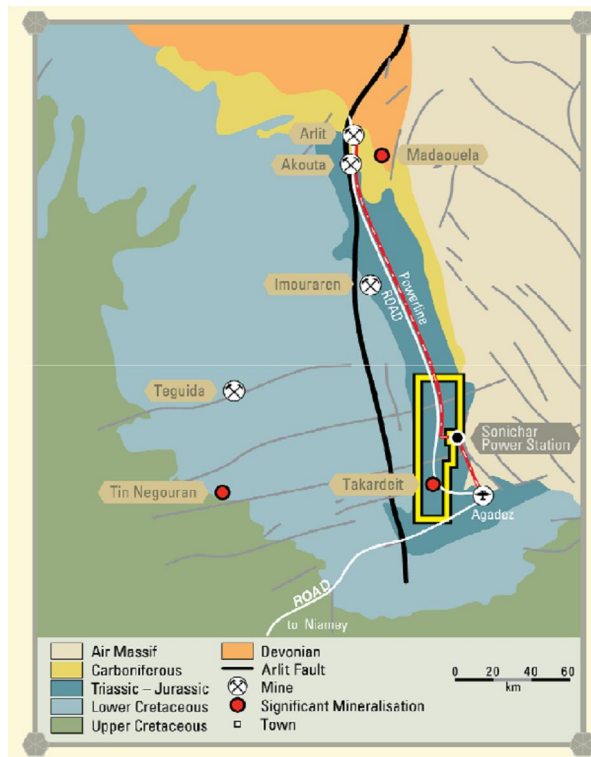
4.5 Principal activities of NGM Group

Niger - Tim Mersoï Basin

NGM's wholly-owned subsidiary, Indo Energy Limited (**Indo Energy**), is the holder of three uranium exploration concessions in the Tim Mersoï Basin, Niger, covering an area of approximately 1,500km². The uranium rich Tim Mersoï Basin is a region which has a long

history of uranium production and hosts some of the world's largest and highest grade uranium deposits.

Figure 19: Map of NGM's concessions in the Tim Mersoï Basin



NGM's most advanced prospect is the Takardeit Prospect (located on the Terzemazour 1 concession) for which NGM announced a maiden Inferred Mineral Resource, on 28 January 2010, following a drilling programme undertaken during the last quarter of 2009. The drilling identified high grade, supergene mineralisation over an area of 2.7km by 2.1km. The mineralisation is shallow to a depth of 30m, and remains open to the south and south west. Details of the Mineral Resource estimate are shown in Figure 20 below.

Figure 20: Mineral Resource estimate for Takardeit Prospect (at 120ppm U_3O_8 cut off) (announced on 28 January 2010):

	Mt	Grade ppm U_3O_8	Mlb U_3O_8
Inferred Mineral Resources	23.0	210	11.0

A copy of NGM's ASX announcement of 28 January 2010 relating to the above Mineral Resource estimate may be obtained in accordance with section 9.3 of this Bidder's Statement.

Two further drilling programmes have since been undertaken culminating in a new discovery of mineralisation located in the Carboniferous unit at Aouligen, an area forming part of the Toulouk 1 concession. Uranium mineralisation up to 2,000ppm U_3O_8 has been intersected at Aouligen at shallow depths (less than 70m deep) and over an area of 1.5km wide.

On 25 June 2010, NGM announced Indo Energy had been awarded an extension for its three exploration concessions in Niger by the Minister of Mines and Energy of 27 months from their then current expiry date of August 2010 to December 2012.

Madagascar – Mahanoro Iron Ore Project

NGM's wholly-owned subsidiary, Universal Exploration Madagascar SARL, has tenements in Madagascar which are prospective for iron ore and mineral sand deposits.

Mahanoro Project

The Mahanoro Project is located on Madagascar's east coast. NGM has conducted a field programme at the Mahanoro iron ore prospect. Forty samples were collected from across the outcropping structure and subsequently analysed. The results confirmed the iron (Fe) is itabirite and the samples have a mean iron content of 42.4% and impurities are low.

Analalava Project

The Analalava project is located in the north-east of Madagascar. A review conducted at the project identified an area of dunal and fossil beach sands which were considered to have the potential to host heavy minerals. This was confirmed during field inspections which identified the presence of minerals such as ilmenite and zircon in erosional channels draining the sands.

4.6 Publicly available information

NGM is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of NGM, you should refer to the information that has been disclosed by NGM pursuant to these requirements. Copies of announcements made by NGM to ASX are available from ASX.

The annual report for NGM for the year ended 30 June 2009 was lodged with ASIC on 23 October 2009 and given to ASX on that date. The half year report for NGM for the six months ended 31 December 2009 was lodged with ASIC on 15 March 2010 and given to ASX on that date.

A list of NGM's announcements which have been lodged with ASX since 30 June 2009 (being the end of the last financial period for which audited financial statements of NGM were prepared), is set out in Annexure B. This information may be relevant to your assessment of the Offer. A copy of each of these announcements can be obtained from ASX. In addition, copies of other major announcements by NGM can be obtained from NGM's website: www.ngmresources.com.au.

In addition, the Corporations Act requires the NGM Directors to provide a target's statement to holders of NGM Shares, setting out their recommendations in relation to this Offer and all the information that the holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer.

4.7 Capital Structure of NGM

According to the most recent documents lodged by NGM with ASX, as at 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, the total number of securities in NGM on issue is as follows:

- (a) 180,447,359 NGM Shares;
- (b) 30,000,000 NGM Incentive Shares (unlisted); and

- (c) 33,350,000 NGM Options (unlisted), consisting of:

Name of options	Exercise Price	Expiry Date	Number of options
Series A options	A\$1.00	31 December 2010	20,000,000
Management options	A\$1.00	31 December 2011	7,500,000
Unlisted options	A\$0.15	31 December 2012	4,850,000
Unlisted options	A\$0.25	31 December 2012	1,000,000

All NGM Options listed in the table above are currently exercisable.

4.8 Paladin relevant interest in NGM securities

Paladin's relevant interest in NGM Shares and voting power (as those terms are defined in the Corporations Act) in NGM (as at the dates specified) is shown below:

	At date of this Bidder's Statement	At date first Offer is sent
Relevant interest in NGM Shares and voting power in NGM	22.48%	22.48%

4.9 Acquisition by Paladin of NGM Shares during previous 4 months

On 28 June 2010, Paladin acquired 4,293,574 NGM Shares on market, at a purchase price of A\$0.09 per share.

Except as provided above, during the period beginning four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before that date of lodgment, neither Paladin nor any associate of Paladin has provided, or agreed to provide, consideration for a NGM Share.

4.10 Inducing benefits given by Paladin during previous 4 months

Except as set out in this Bidder's Statement, during the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before that date of lodgment, neither Paladin nor any associate of Paladin, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offers and was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of NGM Shares.

4.11 Recent performance of NGM Share price on ASX

The last market sale price of NGM Shares on ASX on 16 July 2010, being the last day of trading before the Announcement Date was A\$0.093.

The last market sale price of NGM Shares on ASX on 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$0.15.

The highest market sale price of NGM Shares on ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$0.215 on 10 September 2009.

The lowest market sale price of NGM Shares on ASX in the 12 months prior to 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, was A\$0.080 on 30 June 2010.

4.12 Effect of the Offer on NGM Options

The Offer does not extend to the NGM Options. However, the Offer extends to all NGM Shares that are issued during the period from the Register Date to the end of the Offer Period due to the exercise of the NGM Options.

Paladin may elect to make private treaty offers to holders of NGM Options to acquire or cancel their options subject to the Offer becoming or being declared unconditional.

If not all the Options are exercised (or otherwise cancelled or acquired by Paladin pursuant to private treaty agreements or other arrangements), and Paladin is entitled to compulsorily acquire any outstanding NGM Shares, Paladin presently intends to seek to compulsorily acquire or cancel any outstanding NGM Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

4.13 Effect of the Offer on NGM Incentive Shares

The Offer does not extend to the NGM Incentive Shares. However, the Offer extends to all NGM Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of the NGM Incentive Shares.

Under the terms of the NGM Incentive Shares, the holder of such shares has a right to convert those shares into NGM Shares if a takeover bid is made for all of the NGM Shares and the holders of at least half of the NGM Shares have accepted the offer under the takeover bid. If the above conversion event occurs (and NGM's auditor has certified its occurrence), NGM must issue a notice to each holder of NGM Incentive Shares confirming the occurrence of the conversion event. Holders of Incentive Shares may subsequently elect to convert their shares into NGM Shares.

5. PALADIN'S INTENTIONS

5.1 Overview

The intentions of Paladin in relation to NGM are set out in this Section 5 of the Bidder's Statement. These intentions have been formed on the basis of facts and information concerning NGM, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Paladin in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

5.2 Overview and rationale for the Offer

Paladin's primary objective in making the Offer is to continue exploration activities on NGM's highly prospective landholding in Niger's Tim Mersoï Basin. An acquisition of NGM's uranium prospects in Niger will add to the portfolio of early stage uranium exploration projects already owned by or controlled by Paladin. If the Offer succeeds, this acquisition would give Paladin a presence in a country with a long history of uranium production. The potential acquisition of a large, under explored land holding within the highly prospective Tim Mersoï Basin will provide Paladin with the opportunity to potentially unlock significant value by applying its proven uranium exploration and development capabilities.

Depending on the level of acceptances achieved under the Offer, there may be minor synergies associated with combining NGM's and Paladin's operations, including cost savings achieved through the consolidation of corporate costs. However, Paladin believes that it is primarily by reason of its skills and capabilities in uranium exploration, the development, construction and operation of uranium mining and processing operations, and marketing of uranium that it can bring added value to the NGM assets.

5.3 Compulsory acquisition

(a) Compulsory Acquisition of NGM Shares

If, as a result of the Offers, Paladin becomes entitled to compulsorily acquire outstanding NGM Shares under Part 6A.1 of the Corporations Act, Paladin presently intends to proceed with compulsory acquisition of those NGM Shares and any NGM Shares which come into existence within the period of 6 weeks after Paladin gives the compulsory acquisition notice (referred to in section 661B(1) of the Corporations Act) due to the conversion of, or exercise of, Convertible Securities.

If, as a result of the Offers, Paladin becomes entitled to compulsorily acquire any NGM Shares which come into existence after the period of 6 weeks after Paladin gives the compulsory acquisition notice due to the conversion of, or exercise of, Convertible Securities under Part 6A.2 of the Corporations Act, Paladin presently intends proceed with compulsory acquisition of those NGM Shares.

(b) Compulsory Acquisition of Convertible Securities

If, as a result of the Offers, Paladin becomes entitled to compulsorily acquire outstanding Convertible Securities under Part 6A.2 of the Corporations Act, Paladin presently intends to proceed with compulsory acquisition of those Convertible Securities.

5.4 Overview of intentions for NGM

Subject to the matters described in this Section 5 and elsewhere in this Bidder's Statement and, in particular, the completion of the proposed review of NGM's operations referred to in Sections 5.5(b) and 5.6(b), it is the intention of Paladin, on the basis of the facts and information concerning NGM that are known to it and the existing circumstances affecting the assets and operations of NGM at the date of this Bidder's Statement, that:

- the business of NGM will be conducted in substantially the same manner as it is presently being conducted;
- no major changes will be made to the business of NGM;
- there will be no redeployment of the fixed assets of NGM; and
- the present employees of NGM will continue to be employed by NGM.

5.5 Intentions for NGM as a wholly-owned subsidiary

The intentions of Paladin if NGM becomes its wholly-owned subsidiary are set out in this section 5.4.

(a) Corporate matters

Paladin intends to:

- arrange for NGM to be removed from the official list of the ASX (subject to any required approval of the ASX); and
- replace some or all of the members of the NGM Board with the nominees of Paladin. Replacement board members have not yet been identified by Paladin and their identity will depend on the circumstances at the relevant time. However, it is expected that ultimately either all or the majority of the new board members will be members of Paladin's management team.

(b) Review of operations and assets

After the end of the Offer Period, Paladin intends to conduct a review of NGM's assets from a strategic and financial perspective to evaluate amongst other things:

- the prospects for each of NGM's assets, and which of those assets demonstrate a strategic fit with Paladin's existing assets or are consistent with Paladin's corporate objectives;
- whether and how improvements can be made to any of NGM's assets; and
- which of NGM's assets are to be retained and which (if any) are to be disposed of, having regard to the value that may be realised if there is, and the timing of, an orderly disposal of such assets.

Based upon publicly available information, Paladin presently intends to retain, and continue to evaluate, explore and if viable develop, all of NGM's uranium assets located in Niger.

Paladin has not currently formed any intention in relation to the non-uranium assets of NGM, and will not do so until the completion of its review. However, as Paladin's primary expertise is in the area of uranium exploration, uranium mining and processing and uranium marketing, Paladin currently believes that the most likely outcome of its review will be a decision to dispose of the non-uranium assets.

(c) **Impact on employees**

The position of NGM's employees will be considered as part of the review noted in Section 5.5(b) above. Should any employee be made redundant, Paladin will offer a redundancy package consistent with market practice, the employee terms of employment and other legal obligations.

5.6 Intentions for NGM if it is controlled by Paladin

The intentions of Paladin if NGM becomes a controlled entity, but not a wholly-owned subsidiary of Paladin, are set out in this section 5.6.

Paladin reserves its right to declare the Offer free from the 90% minimum acceptance condition (or any other condition) of the Offer. However, Paladin has not decided (and cannot assure NGM shareholders) whether it will free the Offer from the 90% minimum acceptance condition (or any other condition). This section 5.6 describes Paladin's intentions if it were to declare the Offer free of the 90% minimum acceptance condition and if NGM becomes a controlled entity of Paladin, but Paladin is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

It should be noted that Paladin may acquire practical control of, or a significant degree of influence over, NGM at ownership levels considerably below 90%.

If NGM becomes a controlled entity, but not a wholly-owned subsidiary of Paladin, Paladin's current intentions are as follows:

(a) **Corporate matters**

After the end of the Offer Period, Paladin intends, subject to the Corporations Act, Listing Rules and the constitution of NGM:

- to seek (through discussion and negotiation, but failing agreement, by convening a meeting of NGM shareholders) to replace some of the members of the NGM Board with nominees of Paladin, so that there is a majority of Paladin nominees on the NGM Board and the proportion of such nominees is not less than the voting power of Paladin. If NGM remains listed on the ASX, Paladin would consider, but not necessarily be bound by, the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the NGM Board. Replacement NGM Directors have not yet been finally decided by Paladin and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement NGM Directors will be members of the Paladin management team; and
- through its nominees on the NGM Board, to support NGM's continued listing on the official list of the ASX, but only if the benefits of that listing outweigh the additional corporate and compliance costs of doing so.

It is possible that, even if Paladin is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act, for example, as a result of acquisitions of NGM Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights.

(b) **Review of operations and assets**

After the end of the Offer Period, Paladin intends, through its nominees on the NGM Board, to propose that NGM undertake a review of NGM's assets and operations, along similar lines to that described in Section 5.5(b).

Paladin intends, subject to the approval of the NGM Board, to participate in this review.

(c) **Dividends and funding**

No dividends have been paid by NGM to date.

Paladin's view is that, given the early stage of development of all of NGM's assets, it is unlikely that NGM will pay dividends in the short or medium term.

Paladin expects that additional funding will be required from time to time in order to support the further development of NGM's assets. In the event that NGM does require additional funding, Paladin will, through its nominees on the NGM Board, support the most appropriate form of such funding, having regard to the interests of all NGM shareholders. If the NGM Board determines that additional equity is required, Paladin's current intention would (subject to appropriate arms-length terms being agreed) be to support and participate in such equity raising. Paladin will also consider the provision of other forms of funding to NGM if requested by NGM, subject to assessment against its usual investment criteria.

(d) **Limitations in giving effect to intentions**

The extent to which Paladin will be able to implement the intentions set out in this Section 5.6 will be subject to:

- (i) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (ii) the legal obligation of the directors of NGM to act for proper purposes and in the best interests of NGM shareholders as a whole; and
- (iii) the outcome of the proposed review of NGM's operations referred to in Sections 5.5(b) and 5.6(b).

6. FINANCIAL INFORMATION

(a) Basis of presentation of historical financial information

The historical financial information contained in section 6(b) relates to Paladin on a stand-alone basis and accordingly does not reflect any impact of the Offers. It is a summary only and the full financial accounts for Paladin for the financial periods described below, which include the notes to the accounts, can be found in Paladin's preliminary results and half year and annual reports for those specific periods.

(b) Historical financial information for the Paladin Group

(i) Balance Sheets

The summarised historical balance sheets of the Paladin Group set out below have been extracted from its unaudited preliminary results for the year ended 30 June 2010, auditor reviewed accounts for the half year ended 31 December 2009 and audited financial statements for the year ended 30 June 2009.

The information set out below should be read in conjunction with the notes accompanying the financial statements referred to above (copies of which are available from Paladin's website (www.paladinenergy.com.au)).

Paladin Group Summarised Consolidated Balance Sheets

ASSETS	30-Jun-10	31-Dec-09	30-Jun-09
Current assets	US\$M	US\$M	US\$M
Cash and cash equivalents	348.8	432.6	66.2
Trade and other receivables	32.3	49.2	26.3
Prepayments	13.5	8.8	2.7
Inventories	109.3	79.3	85.8
Financial assets held for trading	-	0.9	1.0
Non current assets held for sale	12.0	-	-
TOTAL CURRENT ASSETS	515.9	570.8	182.0
Non current assets			
Trade and other receivables	0.3	0.3	2.2
Inventories	40.8	33.9	24.9
Other financial assets	35.7	73.3	69.2
Deferred borrowing costs	-	-	8.2
Property, plant and equipment	541.1	489.1	457.8
Mine development	119.2	117.7	54.2
Exploration and evaluation expenditure	680.0	708.9	635.5
Deferred tax asset	-	-	3.9
Intangible assets	24.6	25.1	25.6
TOTAL NON CURRENT ASSETS	1,441.7	1,448.3	1,281.5
TOTAL ASSETS	1,957.6	2,019.1	1,463.5
LIABILITIES			
Current liabilities			
Trade and other payables	63.2	47.0	67.1
Unearned revenue	0.2	31.0	0.2
Interest bearing loans and borrowings	47.9	0.2	14.2
Provisions	10.1	12.6	9.8
TOTAL CURRENT LIABILITIES	121.4	90.8	91.3
Non current liabilities			
Unearned revenue	-	0.2	0.2
Interest bearing loans and borrowings	682.2	690.7	572.0
Deferred tax liabilities	164.1	161.9	136.5
Provisions	33.5	34.5	32.3
TOTAL NON CURRENT LIABILITIES	879.8	887.3	741.0
TOTAL LIABILITIES	1,001.2	978.1	832.3
NET ASSETS	956.4	1,041.0	631.2
EQUITY			
Contributed equity	1,474.6	1,475.4	1,111.6
Reserves	42.7	90.5	31.9
Accumulated losses	(634.1)	(600.2)	(581.2)
Parent interests	883.2	965.7	562.3
Non controlling interests	73.2	75.3	68.9
TOTAL EQUITY	956.4	1,041.0	631.2

(ii) **Income statements**

The summarised historical income statement of the Paladin Group shown below has been extracted from its unaudited preliminary results for the year ended 30 June 2010, auditor reviewed accounts for the half year ended 31 December 2009 and audited financial statements for the year ended 30 June 2009.

The information set out below should be read in conjunction with the notes accompanying the financial statements referred to above (copies of which are available from Paladin's website (www.paladinenergy.com.au)).

Paladin Group Summarised Consolidated Income Statements

	Year ended 30-Jun-10 US\$M	6 Months ended 31-Dec-09 US\$M	Year ended 30-Jun-09 US\$M
Revenue			
Revenue	204.3	101.2	114.8
Cost of sales	(131.6)	(61.7)	(53.0)
	72.7	39.5	61.8
Depreciation and amortisation	(14.3)	(6.6)	(8.8)
Product distribution costs	(3.4)	(1.4)	(1.3)
Royalties	(4.0)	(1.9)	(3.3)
Gross profit	51.0	29.6	48.4
Other income	9.5	9.6	1.1
Exploration and evaluation expenses	(17.1)	(9.5)	(12.2)
Administration and marketing	(38.6)	(18.6)	(35.7)
Other expenses	(9.1)	(3.5)	(3.8)
Impairment of exploration and evaluation	-	-	(753.8)
Impairment of available-for-sale financial assets	-	-	(26.0)
Finance costs	(21.4)	(10.8)	(30.5)
Movement in financial assets held for trading	-	(0.1)	-
Share of loss of an associate	-	-	(0.9)
Loss before income tax	(25.7)	(3.3)	(813.4)
Income tax (expense) / benefit	(28.1)	(16.1)	237.0
Net loss after tax from operations	(53.8)	(19.4)	(576.4)
Attributable to:			
Non controlling interests	(0.9)	(0.4)	(96.2)
Members of the parent	(52.9)	(19.0)	(480.2)
	(53.8)	(19.4)	(576.4)
Loss per share			
Loss after tax from operations attributable to ordinary equity holders of the Company	US\$	US\$	US\$
– basic and diluted	(0.08)	(0.03)	(0.78)

(c) **Management commentary on historical results**

The Paladin 2010 Annual Report is expected to be published in September 2010, which may fall in the Offer Period. The Paladin Board does not currently expect any material differences in the financial position of the Paladin Group as between that contained in its preliminary results for the year ended 30 June 2010 and that to be disclosed in the audited accounts for the year ended 30 June 2010, which will be included in the 2010 Annual Report. A copy of the 2010 Annual Report will be made available on Paladin's website and each recipient of this Bidder's Statement will also be able to obtain a copy of the 2010 Annual Report free of charge in accordance with section 2.7

Paladin's current activities are focussed on its uranium production operations, the Langer Heinrich Mine (**LHM**) which is producing at 3.7Mlb U₃O₈ per annum and the Kayelekera Mine (**KM**) which has a design capacity of 3.3Mlb U₃O₈ per annum. The LHM is currently being expanded to the 5.2Mlb per annum capacity. Paladin has also announced its intention to expand the LHM to a 10Mlb per annum design capacity and the KM to a 3.8Mlb per annum capacity. Paladin is also undertaking ongoing exploration and evaluation of its Australian projects.

Current assets have increased to US\$515.9m at 30 June 2010 mainly due to an increase in cash as a result of US\$363.0m net proceeds from the share placement and US\$145.0m proceeds from the drawdown of the KM project finance facilities and by the cash inflow from LHM and KM operations. This has been partially offset by expenditure on the construction of KM and Stage 2 and 3 expansions at LHM, exploration and evaluation project expenditure, finance costs and corporate costs for the 12 months ended 30 June 2010.

Non current assets have increased to US\$1,441.7m at 30 June 2010 primarily as a result of the foreign exchange movement on the Australian dollar denominated exploration assets and capitalised expenditure at LHM and KM.

Current liabilities have increased to US\$121.4m at 30 June 2010 primarily as a result of the recognition of the current portion of the repayment obligation under the project finance facilities following the drawdown of the US\$145.0m KM facility.

Non current liabilities have increased to US\$879.8m at 30 June 2010 primarily as a result of the US\$145.0m drawdown of the KM project finance facility and an increase in the deferred tax liability related to the foreign exchange movement of the Summit Resources Group in Australia and also as a result of the deferred tax charge on the profits reported for LHM and KM.

Equity has increased to US\$956.4m mainly as a result of US\$363.0m net proceeds from the share placement reduced by the net loss from operations of US\$53.8m reported for the year ended 30 June 2010.

Revenue has increased to US\$204.3m for the year ended 30 June 2010 as a result of the increase in uranium sales from 2.02Mlb in the year ended 30 June 2009 to 3.73Mlb in the current year.

Cost of sales has increased to US\$131.6m for the year ended 30 June 2010 from US\$53.0m for the year ended 30 June 2009 as a result of the increase in uranium sales volumes to 3.73Mlb for the current year compared with 2.02Mlb for the previous year as well as due to the ramp-up of production at KM.

The net loss after tax from operations for the year ended 30 June 2010 was lower at US\$53.8m compared with the loss after tax for the year ended 30 June 2009 of US\$576.4m predominantly as a result of the recognition in that year of an impairment of the Mount Isa exploration and evaluation asset of US\$527.6m net of the deferred tax liability and of the recognition of an impairment of available for sale investments of US\$26.0m.

(d) **Effect of the Offer on Paladin**

(i) **Introduction**

This section 6(d) provides an overview of the unaudited pro forma financial position of Paladin as at 30 June 2010 to show the effect of 100% ownership of NGM.

This section should be read in conjunction with the underlying financial information from which it was extracted, the risk factors set out in section 7, the accounting policies of Paladin (as detailed in its unaudited preliminary results for the year ended 30 June 2010) and other information contained within this Bidder's Statement.

The pro forma balance sheet as at 30 June 2010 set out in 6(d)(ii) **(Pro Forma Balance Sheet)** has been prepared for illustrative purposes and on the assumption that the acquisition of the ownership interest in NGM occurred on one day (30 June 2010), that is, there are no staged acquisitions.

The Pro Forma Balance Sheet has been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards (**IFRS**).

The Pro Forma Balance Sheet has not been audited and may be subject to changes arising from an audit process if an audit was performed on them.

(ii) **Pro Forma Balance Sheet as at 30 June 2010**

	Paladin US\$M	NGM US\$M	Adjust. US\$M	Pro Forma US\$M
Current Assets				
Cash and cash equivalents	348.8	1.3	-	350.1
Trade and other receivables	32.3	0.1	-	32.4
Prepayments	13.5	-	-	13.5
Inventories	109.3	-	-	109.3
Non current assets held for sale	12.0	-	-	12.0
TOTAL CURRENT ASSETS	515.9	1.4	-	517.3
Non Current Assets				
Trade and other receivables	0.3	-	-	0.3
Inventories	40.8	-	-	40.8
Other financial assets	35.7	-	-	35.7
Property, plant and equipment	541.1	0.2	-	541.3
Mine development	119.2	-	-	119.2
Exploration and evaluation expenditure	680.0	13.7	7.3	700.9
Intangible assets	24.6	-	-	24.6
TOTAL NON CURRENT ASSETS	1,441.7	13.9	7.3	1,462.8
TOTAL ASSETS	1,957.6	15.3	7.3	1,980.1
Current Liabilities				
Trade and other payables	63.2	0.3	-	63.5
Unearned revenue	0.2	-	-	0.2
Interest bearing loans and borrowings	47.9	-	-	47.9
Provisions	10.1	-	-	10.1
TOTAL CURRENT LIABILITIES	121.4	0.3	-	121.7
Non Current Liabilities				
Interest bearing loans and borrowings	682.2	-	-	682.2
Deferred tax liabilities	164.1	-	-	164.1
Provisions	33.5	-	-	33.5
TOTAL NON CURRENT LIABILITIES	879.8	-	-	879.8
TOTAL LIABILITIES	1,001.2	0.3	-	1,001.5
NET ASSETS	956.4	15.0	7.3	978.6
EQUITY				
Contributed equity	1,474.6	23.9	(1.7)	1,496.8
Reserves	42.7	2.3	(2.3)	42.7
Accumulated losses	(634.1)	(11.3)	11.3	(634.1)
Parent interests	883.2	15.0	7.3	905.4
Non controlling interests	73.2	-	-	73.2
TOTAL EQUITY	956.4	15.0	7.3	978.6

(iii) **Basis of preparation of Pro Forma Balance Sheet**

For the purposes of preparing the Pro Forma Balance Sheet, Paladin has utilised:

- the unaudited balance sheet of NGM as at 30 June 2010, provided by NGM from its management accounts; and
- the unaudited preliminary balance sheet of Paladin as at 30 June 2010.

Paladin uses a US dollar presentation currency. Accordingly, the balance sheet of NGM has been translated from Australian dollars to US dollars based on the assumptions set out in section 6(d)(ix).

Acquisition accounting entries have been made, consistent with the terms of the Offer and the assumptions set out in section 6(d)(iv), in order to arrive at an unaudited pro forma balance sheet of the Merged Entity (in the case of 100% ownership) as at 30 June 2010.

The Paladin Directors will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after the Takeover Bid has been completed.

The Pro Forma Balance Sheet is indicative only. The Paladin Directors have drawn their conclusions based on the facts known and other information publicly available as at the date of this Bidder's Statement. If the facts, circumstances, assumptions or other information should prove different to that described, the conclusions may change accordingly.

All adjustments have been made in accordance with IFRS.

(iv) **Adjustments and assumptions used in preparing the Pro Forma Balance Sheets**

The following adjustments and assumptions have been made in the preparation of the Pro Forma Balance Sheet:

- the accounting policies applied by NGM have been consistently applied in the preparation of the Pro Forma Balance Sheet, and no review has been made on the appropriateness of these policies or accounting treatments; and
- an aggregate of 7,156,572 Paladin Shares will be issued to: (i) NGM shareholders under the Offers (7,107,689 Paladin Shares in aggregate) and (ii) NGM optionholders (48,883 Paladin Shares in aggregate) in consideration for the cancellation or acquisition of the NGM Options, at an issue price of A\$3.58 which was the closing price of Paladin Shares on ASX at 20 July 2010 (the last trading day prior to the Announcement Date).

(v) **Impact of the delineation between exploration and evaluation expenditure, intangible assets and goodwill**

For the purpose of preparing the Pro Forma Balance Sheet the excess of consideration over the net fair value of the assets acquired has been allocated to the exploration and evaluation asset.

The Paladin Directors will perform a comprehensive fair value assessment of the NGM assets at the completion of the Takeover Bid at which point they will be able to measure and allocate the fair values appropriately. The final delineation between the exploration and evaluation expenditure, any identifiable intangible assets and any goodwill will be important. Each class of asset will have a different impact at the time of acquisition and going forward on the balance sheet and income statement of the Merged Entity. In particular:

- any goodwill would not be amortised, but will be subject to annual impairment testing;
- any acquired intangibles may have a short to medium useful life and must be amortised over those periods;
- exploration and evaluation expenditure, assuming it leads to future production would be amortised over the life of reserves. If information becomes available to indicate that the carrying value of capitalised exploration and evaluation expenditure exceeds its recoverable amount an impairment loss is recognised immediately;
- deferred taxes arising in relation to intangible assets would be recognised, but cannot be recognised in relation to goodwill;
- an impairment loss attributable to a cash generating unit is firstly allocated to goodwill and then any other assets (including intangible assets) on a pro-rata basis; and
- any impairment losses can be reversed for intangible assets but not for goodwill.

(vi) **Non-current assets held for sale**

The Paladin Directors have not currently formed any intention in relation to the non-uranium assets of NGM, and will not do so until the completion of a detailed review subsequent to the transaction. As a result of this review, the Paladin Directors may decide to subsequently dispose of NGM's non-uranium assets (see section 5 for further details of Paladin's intentions). Notwithstanding any future decisions, for the purpose of the Pro Forma Balance Sheet, no portion of the exploration and evaluation expenditure has been classified as a non-current asset held for sale.

Under the requirements of IFRS, an asset would be classified as a non-current asset held for sale if the asset is available for immediate sale and its sale is highly probable. Notwithstanding any future decisions by the Paladin Directors, as at 30 June 2010, these criteria are unlikely to be met and therefore for the basis of the Pro Forma Balance Sheet no portion of the exploration and evaluation expenditure has been classified as a non-current asset held for sale.

(vii) **Tax base of exploration and evaluation expenditure**

Once the Paladin Directors have had an opportunity to perform a detailed tax review of the individual tenements and any mining information of NGM, their assessment of the tax base may change.

(viii) **Paladin Share price at acquisition date**

Under the requirements of accounting standards, the acquiree will need to determine the cost of acquisition. For the purpose of the Pro Forma Balance Sheet, Paladin has assumed a single "fixed" price of Paladin Shares. This "fixed" price of Paladin Shares has been set at A\$3.58 which was the closing price of Paladin Shares on ASX at 20 July 2010 (the last trading day prior to the Announcement Date). However, the price of Paladin Shares has changed since the Announcement Date and it is likely to change between the date of the Bidder's Statement and the final acquisition date or exchange dates, which will impact on the final acquisition accounting.

(ix) **US dollar presentation currency**

Paladin has adopted a US dollar presentation currency. Accordingly, NGM's financial statements have been translated to US dollars in order to prepare the Pro Forma Balance Sheet.

Under the requirements of AASB 121 "The Effects of Changes in Foreign Exchange Rates", assets and liabilities must be translated at the closing rate at the date of that balance sheet, the income and expenses must be translated at exchange rates at the dates of the transactions and all resulting exchange differences must be recognised as a separate component of equity.

For the purpose of preparing the Pro Forma Balance Sheet a closing rate of A\$1.168:US\$1 has been used to translate the entire NGM balance sheet from Australian dollars to US dollars at 30 June 2010. Given the information available, it has not been possible to assess the appropriate historic rate to be used for the translation of the retained earnings. On the completion of the transaction, the Paladin Directors will undertake a detailed review of the retained earnings in order to determine the appropriate rate.

7. RISK FACTORS

7.1 Overview

NGM shareholders who accept the Offer will become shareholders in Paladin. In that event, NGM shareholders will:

- continue to be indirectly exposed to the risks associated with having an interest in NGM's assets and to general exploration and mining industry risks;
- be exposed to some risks which are specific to Paladin and its current operations; and
- also be exposed to additional risks relating to the Offer.

The financial performance and operations of Paladin's businesses, the price of Paladin Shares and the amount and timing of any dividends that Paladin pays will be influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of Paladin and the Paladin Board. Many of these factors also affect the businesses of other companies operating in the same industry.

Section 7 provides a summary, which is not exhaustive, of some of the major risk factors associated with an investment in Paladin. NGM shareholders should consider carefully these risk factors and the other information contained in this Bidder's Statement.

7.2 General and exploration and mining industry risks

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the exploration and mining industry. These risk factors are largely beyond the control of Paladin and the Paladin Board, because of the nature and location of the existing and proposed business activities of Paladin.

(a) Economic conditions

Economic conditions, both domestic and global, may affect the performance of Paladin. Adverse changes in macroeconomic conditions, including global and country-by-country economic growth, the cost and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of Paladin and may result in material adverse impacts on the business and its operating results.

(b) Share market conditions

As Paladin is listed on the ASX and TSX, the price of Paladin Shares is subject to the numerous influences that may affect both the trends in the share market and the share prices of individual companies, including movements in international and local stock markets, changes in the outlook for commodities (and, more specifically, uranium prices), inflation, interest rates, general economic conditions, changes in government, fiscal, monetary and regulatory policies. In the future, these factors may cause Paladin Shares to trade below current prices and may affect the income and expenses of Paladin.

(c) **General legal and taxation matters**

Future earnings, asset values and the relative attractiveness of Paladin Shares may be affected by changes in law and government policy in the jurisdictions in which the combined Paladin Group and NGM Group will operate, in particular changes to taxation laws (including stamp duty and GST).

In addition, accepting the Offer may involve tax considerations that may differ for each NGM shareholder. Each NGM shareholder is encouraged to seek professional tax advice in connection with accepting the Offer (see also Section 8 in respect of Australian tax considerations).

(d) **Speculative nature of mineral exploration and development**

Development of Paladin's mineral exploration properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk increases substantially when a company's properties are in the exploration phase as opposed to the development, construction and operational phase. There is no assurance that commercial quantities of ore will be discovered on any of Paladin's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of Paladin.

(e) **Mineral resources and ore reserves**

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the indicated level of uranium recovery will be realised. Uranium price fluctuations, as well as increased production costs or reduced recovery rates, may render ore reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such ore reserves. Moreover, short-term operating factors relating to ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades may cause a mining operation to be unprofitable in any particular accounting period.

(f) **Uncertainty relating to inferred mineral resources**

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated resources or proven or probable mineral reserves as a result of continued exploration.

(g) **Uncertainty relating to resources and reserves estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect Paladin's operations.

(h) **Government regulations**

Paladin's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of Paladin's properties, the extent of which cannot be predicted.

In the context of environmental permitting, including the approval of reclamation plans, Paladin must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that any future changes in environmental regulation will not adversely affect Paladin's operations.

While it is possible that costs and delays associated with compliance with such laws, regulations and permits could become such that Paladin will not proceed with the development or operation of a mine, Paladin is not aware of any material environmental constraint affecting its proposed mining activities or exploration properties that would preclude the economic development or operation of any specific mine or property.

In the context of interests of native and/or indigenous peoples in Australia, the Native Title Act 1993 recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. The risks arising because of native title and aboriginal land rights may affect Paladin's ability to gain access to prospective exploration areas to obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over any of the tenements held or acquired by Paladin. The level of impact of these matters will depend, in part, on the location and status of Paladin's tenements.

(i) **Foreign operations**

Paladin's operations in Namibia and Malawi are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. NGM shareholders are already exposed to some of these risks, as NGM currently operates in Niger and Madagascar. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates, rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the countries in which it operates may adversely affect Paladin's operations or profitability.

Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, black economic empowerment or similar policies, employment, contractor selection and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on Paladin's operations or profitability.

(j) **Failure of basic infrastructure**

Infrastructure in most of Africa for utilities such as electricity and water supply is under strain and underdeveloped. Paladin depends on the reliable and continuous delivery of sufficient quantities of power to its projects. A serious failure of basic infrastructure or high occurrences of power outages across the country could adversely affect production at Paladin's operations in Africa.

(k) **Volatility of uranium prices**

The mining industry is competitive and there is no assurance that, even if significant quantities of a mineral resource are discovered, a profitable market will exist for the sale of this mineral. In particular, there can be no assurance that uranium prices will be such that Paladin's uranium properties can be mined at a profit. The only significant commercial use for uranium is to fuel civil nuclear power plants for the generation of electricity. Any adverse change in policies or laws concerning nuclear power in countries which operate nuclear power plants may negatively affect Paladin.

Factors beyond the control of Paladin may affect the marketability of any minerals discovered. Uranium prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, alternative sources to meet energy consumption, currency exchange fluctuations, interest rates, global or regional consumption patterns, technological improvements leading to more efficient use of uranium, speculative activities and increased production due to improved mining and production methods or increased exploration.

(l) Mineral exploration and mining carry inherent risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput.

Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on Paladin's operations and its financial results should any of these hazards be encountered.

(m) Competition

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, Paladin may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Paladin will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

(n) HIV/AIDS and tuberculosis

The HIV/AIDS pandemic remains a significant challenge to companies operating in southern Africa. Allied to the HIV/AIDS pandemic is the increasing occurrence of tuberculosis amongst the southern African workforce.

Any significant increase in the incidence of HIV/AIDS infection, HIV/AIDS-related diseases or tuberculosis in the workforce may adversely impact the business, operations and financial condition of businesses in the industries in which Paladin operates. In addition, any significant changes in legislation relating to HIV/AIDS in the workplace could have a cost impact on the business of Paladin, in relation to providing for antiretroviral medication, sick leave and carer leave.

7.3 Paladin specific risks

(a) Key personnel

Retaining qualified personnel is critical to Paladin's success. Paladin may face risks from the loss of key personnel, as it may be difficult to secure and retain candidates with appropriate experience and expertise. Paladin has implemented the Paladin Incentive Plans (further details of which are set out in section 3.4), to assist in the recruitment and retention of talented people needed to achieve its business objectives. Despite this, one or more of Paladin's key employees could leave their employment and this may adversely affect Paladin's ability to conduct its business and, accordingly, affect the profitability, financial position and performance and prospects of Paladin.

Paladin's success also depends on its ability to identify, attract, accommodate, motivate and retain additional suitably qualified personnel. The number of persons skilled in the acquisition, exploration and development of mining projects is limited and competition for such persons is high. As Paladin's business activity expands, it will require additional personnel to meet its growing needs.

If Paladin is unable to access and retain the services of a sufficient number of qualified staff, this could be disruptive to Paladin's development and may materially adversely affect its profitability, financial position and performance and prospects.

(b) Key contractors

Paladin's business relationships, operations and financial performance may be materially and adversely affected if any of its current and proposed contractors do not perform their contractual obligations. Paladin can provide no guarantee that the contractors will fulfil these obligations.

(c) Labour and employment matters

While Paladin has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant country governmental authorities which regulates its operations. Adverse changes in such legislation may have a material adverse effect on Paladin's business.

(d) Ability to manage growth

Future operating results depend to a large extent on management's ability to successfully manage growth. This necessarily requires rapid expansion and consolidation of all aspects of the business operations, such as the development of mining operations, revenue forecasting, an effective mineral resources marketing strategy, addressing new markets, controlling expenses, implementing infrastructure and systems and managing its assets and contractors. The inability to control the costs and organisational impacts of business growth, an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expenses or a failure to manage other issues arising from growth can have a material adverse effect on Paladin's operating results.

(e) Subsidiaries

Paladin conducts certain of its operations through subsidiaries and holds certain of its assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between Paladin and its subsidiaries could restrict Paladin's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Paladin's valuation and stock price.

(f) Currency risk

Paladin's operations incur expenditures primarily in the local currencies of Australia, South Africa, Namibia and Malawi. Revenue from operations and debt financings are in US dollars. As a result of these different currencies, Paladin is subject to foreign currency fluctuations which may materially affect its financial position and operating results.

(g) **Production risk**

Ongoing production and commissioning of staged expansions to production may not proceed to plan with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production. Paladin's activities may be affected by numerous other factors beyond Paladin's control. Mechanical failure of Paladin's operating plant and equipment, and general unanticipated operational and technical difficulties, may adversely affect Paladin's operations. There is limited operating history available from Paladin's sites. Operating risks beyond Paladin's control may expose it to uninsured liabilities. The business of mining, exploration and development is subject to a variety of risks and hazards such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards and the use of contractors including contract miners. Such occurrences may delay production, increase production cost or result in damage to and destruction of, mineral properties or production facilities, personal injury, environmental damage and legal liability.

Paladin has insurance to protect itself against certain risks of mining and processing within ranges of coverage consistent with industry practice. However, Paladin may become subject to liability for hazards that it cannot insure against or that it may elect not to insure against because of high premium costs or other reasons. The occurrence of an event that is not fully covered at all by insurance could have a material adverse effect on Paladin's financial condition and results of operations.

(h) **Liquidity and future financings**

Further exploration and development of the various mineral properties in which Paladin holds interests depends upon Paladin's ability to obtain financing through operational cash flows, joint ventures, debt financing, equity financing or other means. There is no assurance that Paladin will be successful in obtaining the financing required as and when needed. Volatile markets for mineral commodities may make it difficult or impossible for Paladin to obtain debt financing or equity financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause Paladin to postpone its development plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations.

(i) **Ability to service debt**

If Paladin's financial performance deteriorates, there is a risk that it will be unable to service its debt.

(j) **Dilution**

Paladin may undertake additional offerings of securities in the future. The increase in the number of shares issued and the possibility of sales of such shares may have a depressive effect on the price of shares already on issue. In addition, as a result of the issue of such additional shares, the voting power of Paladin's existing shareholders may be diluted.

(k) **Project specific risk – Langer Heinrich Mine**

The Langer Heinrich Mine now achieves production of 3.7Mlb per annum U_3O_8 and an expansion is currently being constructed to increase production to 5.2Mlb per annum. There is a level of risk that delays in construction will result in an extension of the envisaged ramp-up to stated production targets.

Langer Heinrich has in place a project finance loan facility with a current balance of US\$39.9 million that is fully drawn down. The loan is repayable over several instalments to 2012 and the obligations of Paladin Finance Pty Ltd (as borrower) under the loan facility are secured against the Langer Heinrich Mine assets. The capacity of the borrower to repay the loan is dependent on the cash flow generated by the mine. Paladin is also currently negotiating to increase the size of the project finance loan for the purpose of funding the Stage 3 expansion of the mine (to achieve 5.2 Mlb per annum production capacity).

(l) **Project specific risk – Kayelekera Mine**

There remains a potential risk that ramp-up will not proceed as currently scheduled resulting in production shortfalls versus plan and budget. Operating costs are heavily dependent upon reagent supply costs which until recently had been escalating considerably (but now appear to be reducing significantly), and actual consumptions will not be known until the plant continues to operate for a longer period and some optimisation has taken place.

The Kayelekera Mine has in place a project finance loan facility with a current balance of US\$135.9m. The loan is repayable over several instalments to 2015 and the obligations of Paladin (Africa) Pty Ltd (as borrower) under the loan facility are secured against the Kayelekera Mine assets. The capacity of the borrower to repay the loan is dependent upon cashflow generated by the mine. Prior to the achievement of certain completion tests (set out in the relevant Common Terms Agreement), Paladin Energy Minerals NL guarantees the obligations of Paladin (Africa) Pty Ltd under the loan facility.

(m) **Uranium contracts**

Paladin has entered into a number of sales contracts for uranium oxide produced at the Langer Heinrich Mine and the Kayelekera Mine with large and financially sound customers. These contracts provide Paladin with a diverse range of pricing mechanisms including some contracts which are market price at the time of delivery, subject to escalating floor and ceiling prices while allowing Paladin to benefit from some upside should the spot market for uranium oxide outperform the ceiling prices, and some contracts which are at fixed prices.

Paladin faces a risk of non-performance on these contracts if its fails to meet its obligations in terms of product quality and/or timing of delivery.

(n) **Political stability**

Paladin's activities are principally conducted in southern Africa. In southern Africa, Paladin's projects may be subject to the effect of political changes, war and civil conflict, terrorist attacks, changes in government policy, lack of law enforcement and labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact on the profitability and viability of its properties.

(o) **Security of tenure**

All tenements in which Paladin has interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the Federal Ministry and the relevant Ministries in Western Australia, South Australia, Northern Territory, Queensland, Namibia and Malawi. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on Paladin being successful in obtaining required statutory approvals for proposed activities. While Paladin anticipates that subsequent renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(p) **Operating history**

Although Paladin has the utmost confidence in its ability, Paladin, like most Australian uranium companies, has limited operating history. Paladin cannot provide assurance of its ability to operate its projects profitably. While Paladin intends to generate working capital through operating its uranium mines, there is no assurance that Paladin will be capable of producing positive cash flow on a consistent basis or that any such funds will be available for exploration and development programmes.

(q) **Logistics**

Logistical risk relates to long supply lines, and lack of engineering and other support facilities close to Paladin's operating sites. In Africa, the transshipment of uranium concentrate through neighbouring countries for export could be subject to disruptions through political disputes and natural disasters.

(r) **Uninsurable risks**

Paladin may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits.

(s) **Dividend policy**

Paladin has paid no dividends on the Paladin Shares since its date of incorporation and Paladin does not anticipate paying dividends on its shares in the near future. Paladin anticipates that it will retain future earnings and other cash resources for the future operation and development of its business and Paladin does not intend to declare or pay any cash dividends in the near future. Payment of any future dividends will be at the discretion of the Paladin Board after taking into account many factors, including Paladin's operating results, financial condition and current and anticipated cash needs.

(t) **Convertible Bond Notes**

Paladin has issued US\$250 million of 2011 Convertible Bonds and US\$325 million of 2013 Convertible Bonds (see section 3.6 for further details).

The trustee for the holders of the convertible bonds may give notice requiring immediate repayment of the convertible bonds if certain events of default occur. As Paladin does not hold sufficient cash to repay the notes on demand, such action could require Paladin to raise debt or equity funding or sell assets on unfavourable terms or, if funds could not be raised in this manner, could result in Paladin becoming insolvent and being wound up.

The events of default are set out in the prospectuses for the convertible bonds dated 5 December 2006 and 6 March 2008 (available on Paladin's website, www.paladinenergy.com.au). So far as Paladin is aware, there is no event of default that is currently subsisting or likely to occur in respect of the notes.

In addition to the events of default, the terms of the convertible bonds include covenants which are also set out in the prospectuses for the convertible bonds. The covenants include a restriction on Paladin and its subsidiaries from granting or allowing to continue security over their assets for financing in the form of or represented by notes, bonds, debentures, debenture stock, loan stock or other securities.

Holders of convertible bonds are also entitled to require redemption of their bonds following a change of control of Paladin.

7.4 Risks relating to the Offer

Issue of Paladin Shares as consideration

NGM shareholders are being offered consideration under the Offer that consists of a specified number of Paladin Shares, rather than a number of Paladin Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Paladin Shares. For example, Paladin's Share trading range on ASX in the 12 months prior to the Announcement Date has been from a high of A\$5.18 to a low of A\$3.37.

8. TAXATION CONSIDERATIONS

8.1 Australian tax implications for NGM shareholders

The following is a general description of the Australian income and capital gains tax consequences for NGM shareholders on disposing of their NGM Shares, in return for Paladin Shares.

The information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of your NGM Shares according to your own particular circumstances.

The Australian tax consequences of disposing of your NGM Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non resident for tax purposes;
- (b) whether you hold your NGM Shares on capital, revenue account or as trading stock;
- (c) when you acquired your NGM Shares;
- (d) whether you are an individual, a company or a trustee of a complying superannuation entity; and
- (e) whether scrip for scrip roll-over relief is available - see section 8.5.

8.2 Shareholders who are Australian residents

(a) Disposal of shares held as trading stock

If you hold your NGM Shares as trading stock (eg as a share trader) you will be required to include the value of the consideration from the disposal of your NGM Shares in your assessable income.

(b) Disposal of shares held on revenue account

If you acquired your NGM Shares with the main purpose of reselling them at a profit (eg banks and insurance companies) you may be considered to hold your NGM Shares on revenue account for tax purposes. You will then be required to treat any gain or loss arising on the disposal of your NGM Shares as either assessable income or an allowable deduction.

The gain or loss will be calculated as the difference between:

- (i) the value of the consideration (the value of the Paladin Shares received); and
- (ii) the cost of acquiring your NGM Shares.

(c) **Disposal of shares held on capital account**

If you hold your NGM Shares as a passive investment with a view of generating dividend income and long term capital growth, you may be considered to hold your NGM Shares on capital account.

The disposal of NGM Shares which were acquired or deemed to have been acquired on or after 20 September 1985 and which are held on capital account, will generally have Australian capital gains tax (**CGT**) implications. The disposal of such NGM Shares pursuant to acceptance of the Offer will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your NGM Shares will depend upon a number of factors, including:

- the date your NGM Shares were acquired;
- your taxpayer status;
- the length of time you have held your NGM Shares; and
- whether or not you are entitled to scrip for scrip rollover relief - see section 8.5.

(i) **Shares acquired before 11.45am on 21 September 1999**

If your NGM Shares were acquired on or after 20 September 1985 a capital gain or loss will arise depending on the difference between:

- the value of the capital proceeds (the value of the Paladin Shares received); and
- the cost base of the NGM Shares (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition, eg brokerage fees and stamp duty).

The value of the Paladin Shares will be their market value on the date when the contract for their disposal is entered into (which is the date you accept the Offer).

If your NGM Shares were acquired before 11.45 am by legal time in the Australian Capital Territory (ACT time) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the shares were acquired prior to 1 July 1999).

Alternatively, provided you have held your NGM Shares for at least one year, and do not choose to apply indexation, the discount capital gain provisions may apply. This means that:

- if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable;
- if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable; or

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- if you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies).

Note that the discount capital gain provisions do not apply to shareholders and trust beneficiaries that are companies.

The "choice" to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the capital gain that is assessable. Alternatively, if you choose the indexation option, capital losses are applied after calculating the capital gain using the indexed cost base.

(ii) Shares acquired after 11.45 am on 21 September 1999

If you acquired your NGM Shares after 11.45 (ACT time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your NGM Shares for 12 months or longer at the time the Offer is accepted, the discount capital gain provisions described above will automatically apply in calculating any capital gain on disposal.

As explained above, any available capital loss will be applied to reduce the realised nominal gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your NGM Shares have been held for less than 12 months or you are another category of shareholder (for example, a company), the discount capital gain method is not available. A capital gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

(iii) Shares acquired before 20 September 1985

There should be no CGT implications arising on disposal of your NGM Shares, where they were held on capital account and acquired, or deemed to have been acquired, before 20 September 1985 and are not deemed to have been acquired on or after that date.

8.3 Shareholders who are not Australian residents

(a) Disposal of shares held as trading stock or on revenue account

If you are a non resident of Australia and your NGM Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice. The Australian tax treatment will depend on the source of any gain and whether a double tax agreement exists between your country of residence and Australia.

(b) Disposal of shares held on capital account

If you are a non resident of Australia and hold your NGM Shares on capital account you will generally not be subject to CGT on the disposal of your NGM Shares unless:

- you (and your associates) owned at least 10% of NGM either at the time you sold your NGM Shares or for at least 12 months during the 24 months before you sold your NGM Shares; and
- 50% or more of the value of NGM is represented by real property in Australia.

Your NGM Shares will also be taxable if you used your NGM Shares at any time in carrying on a business through a permanent establishment in Australia.

8.4 GST

No GST should generally be payable on the transfer of NGM Shares, with the exception of any GST payable on any brokerage charged by your Controlling Participant for carrying out your instructions.

8.5 Scrip for scrip rollover relief

Scrip for scrip rollover relief enables a shareholder to elect to disregard the capital gain they make from disposing of a share as part of a corporate takeover or merger, if the shareholder receives a replacement share in exchange.

You may be entitled to scrip for scrip rollover relief if:

- (a) your NGM Shares were acquired after 19 September 1985;
- (b) you accept the Offer and receive Paladin Shares as consideration;
- (c) you would otherwise make a capital gain; and
- (d) Paladin obtains a holding of at least 80% of the voting shares in NGM.

If you choose to claim rollover relief, the capital gain that would otherwise arise from the disposal of your NGM Shares will be disregarded.

The Offers are subject to a condition that at the end of the Offer Period, the number of NGM Shares that Paladin has a relevant interest in is at least 90% of all the NGM Shares. If that condition is satisfied, Paladin will have obtained a holding of at least 80% of the voting shares in NGM. Paladin does not currently intend to declare the Offers free of that condition unless it has obtained a holding of at least 80% of the voting shares in NGM; however, Paladin reserves its right to waive that condition in its absolute discretion.

The availability of rollover relief will also depend on your individual circumstances (for example, it is not available if your NGM Shares are trading stock or revenue assets). You should consult your own tax adviser to clarify whether or not the relief will be available to you.

If the minimum acceptance condition in section 10.12(a) of the Offer is satisfied, Paladin will have the right to give notice of its intention to compulsorily acquire outstanding NGM Shares. The capital gains tax consequences of compulsory acquisition of NGM Shares may differ from the consequences of accepting Paladin Shares as consideration under the Offer. You should consult your own tax adviser about this.

9. OTHER MATERIAL INFORMATION

9.1 Bid Implementation Agreement

On 21 July 2010, Paladin and NGM entered into a bid implementation agreement (**BIA**). Under the terms of the BIA:

(a) Takeover Bid

Paladin agreed to make an off-market takeover offer to acquire all ordinary shares in NGM (that it does not already own) at an offer price of one Paladin Share for every 23.9 NGM Shares.

(b) Bid Facilitation

(i) NGM agreed to support the Takeover Bid in the absence of a superior proposal, and to the extent that the NGM Board may do so without breaching its statutory or fiduciary duties. NGM has also agreed not to do (or omit to do) anything which will, or is likely to, result in any of the Defeating Conditions being breached.

(ii) Until the end of the Offer Period, NGM has agreed to carry on its business in accordance with normal and prudent practice and in the ordinary course.

(c) Compensating Amount

NGM has undertaken to pay a compensating amount of A\$400,000 to Paladin if:

- (i) NGM accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Takeover Bid;
- (ii) any NGM Director does not recommend the Bid or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Competing Proposal or any other transaction that may reduce the likelihood of success of the Bid or announces an intention to do any of these acts, except if the sole reason that the NGM Director does so is because the closing price of Paladin Shares on ASX falls below \$2.50 per Paladin Share for any 5 consecutive trading days in the period after the Announcement Date;
- (iii) NGM or any of any NGM director does (or omits to do) anything (whether or not it may be permitted by the terms of the BIA) which results in certain of the Defeating Conditions being breached; or
- (iv) NGM breaches its exclusivity undertakings (see paragraph (d) below).

(d) Exclusivity Undertakings

- (i) NGM has given customary exclusivity undertakings to Paladin under which for the period of 5 months after the Announcement Date or the end of the Offer Period (whichever is earlier), NGM must not and must ensure that its employees, officers and (to the extent it is reasonably able to influence them), its Associates, do not and NGM must not require any adviser or agent to:

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- (A) directly or indirectly solicit, initiate or encourage any inquiries, proposals or discussions regarding any Competing Proposal or any other transaction that may reduce the likelihood of success of the Takeover Bid (whether from a person with whom NGM has previously been in discussions or not);
 - (B) directly or indirectly participate in any discussions or negotiations regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Bid;
 - (C) accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or any other transaction that may reduce the likelihood of success of the Takeover Bid;
 - (D) approve or recommend a Competing Proposal or any other transaction that may reduce the likelihood of success of the Takeover Bid or announce an intention to do so; or
 - (E) disclose any information about the businesses or affairs of NGM to a third party (other than a government agency or auditors) other than in the ordinary course of business or as required under NGM's existing contractual obligations to the extent those obligations have been specifically disclosed by NGM to Paladin and cannot be terminated by NGM with a view to obtaining a Competing Proposal.
- (ii) In addition, NGM must immediately notify Paladin of any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal prior to the end of the Offer Period.
 - (iii) Nothing in clauses paragraphs 9.1(d)(i)(B) to 9.1(d)(i)(E) or 9.1(d)(ii) requires NGM or the NGM Board to do or refrain from doing anything where doing or refraining from doing that thing would, in the reasonable opinion of the NGM Board, be likely to involve a breach of the duties of the NGM Directors. The reasonable opinion of the NGM Board must be based on specific written legal and any other appropriate advice.

A copy of the BIA is attached to the announcement of the Offer made by Paladin on 21 July 2010, and is available on its website (www.paladinenergy.com.au).

9.2 Disclosure of interests and benefits

(a) Interested Person

For the purposes of sections 9.2(b) and 9.2(c) an **Interested Person** is:

- (i) a Paladin Director or proposed director of Paladin;
- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of Paladin; or
- (iv) a broker or underwriter to the issue of Paladin Shares.

(b) **Interests**

Except as disclosed in this Bidder's Statement no Interested Person holds or held at any time during the two years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting Paladin;
- (ii) property acquired or proposed to be acquired by Paladin in connection with:
 - (A) forming or promoting Paladin; or
 - (B) the offer of Paladin Shares; or
- (iii) the offer of Paladin Shares.

(c) **Benefits**

Except as disclosed in this Bidder's Statement no one has paid or agreed to pay fees or given or agreed to give any benefit to:

- (i) a Paladin Director or proposed director of Paladin to induce that person to become or qualify as a Paladin Director; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting Paladin; or
 - (B) the offer of Paladin Shares under the Offer.

9.3 Consents

Azure Capital Pty Ltd has given, and not withdrawn prior to the lodgment of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Paladin's financial adviser in the form and context it is so named. Azure Capital Pty Ltd takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Blake Dawson has given, and not withdrawn prior to the lodgment of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Paladin's Australian legal adviser in the form and context it is so named. Blake Dawson takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Ernst & Young has given, and not withdrawn prior to the lodgment of this Bidder's Statement with ASIC, written consent to being named in this Bidder's Statement as Paladin's auditor and to the inclusion of and references to the audited financial statements for the year ended 30 June 2009 and the auditor reviewed accounts for the half year ended 31 December 2009 in section 6 in the form and context in which those statements appear. Ernst & Young takes no responsibility for any part of this Bidder's Statement other than any reference to its name and the references to the above-mentioned financial statements.

Computershare Investor Services Pty Limited has given and, not withdrawn prior to the lodgment of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Bidder's Statement other than being named as Share Registrar to Paladin.

Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Bidder's Statement.

David Princep has given, and not withdrawn prior to the lodgment of this Bidder's Statement with ASIC, his written consent to the inclusion in this Bidder's Statement of all statements made by him or attributed to or derived from those statements in the form and context in which they are included in section 2.5.

This Bidder's Statement includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Felicity Evans on +61 (8) 9381 4366 and you will be sent copies free of charge.

As permitted by ASIC Class Order 07/429 this Bidder's Statement contains share price trading data sourced from Bloomberg without its consent.

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

9.4 Adviser Fees

The fees paid in connection with the preparation and distribution of this Bidder's Statement and for services provided in connection with the Offer, including legal, taxation and financial advisers and registry fees, are expected to total approximately A\$710,000.

9.5 No other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to Paladin and has not previously been disclosed to the holders of NGM Shares.

9.6 Registered office

The registered office of Paladin is Level 4, 502 Hay Street, Subiaco, Western Australia 6008.

9.7 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

10. THE OFFER TERMS

10.1 The Offer

(a) Offer for your NGM Shares

Paladin offers to acquire all of your NGM Shares on the terms set out in this Offer.

This Offer extends to all NGM Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Convertible Securities.

(b) Offer includes Rights

If Paladin acquires your NGM Shares under this Offer, Paladin is also entitled to any Rights attached to those NGM Shares.

(c) Consideration

Paladin offers 1 Paladin Share for every 23.9 of your NGM Shares.

10.2 Foreign Ineligible Shareholders

If you are a Foreign Ineligible Shareholder then despite any other provision of this Offer, you are offered and will receive for your NGM Shares a cash amount calculated under section 10.22.

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

10.3 Rounding of Paladin Shares

If you become entitled to a fraction of a Paladin Share under this Offer, the number of Paladin Shares you are entitled to will be rounded up to the nearest whole number (if the fraction is 0.5 or greater) or rounded down to the nearest whole number (if the fraction is less than 0.5).

10.4 Ranking of Paladin Shares

The Paladin Shares issued under the Offer will be issued fully paid and will rank equally for dividends and other rights with existing Paladin Shares.

10.5 ASX and TSX listing of Paladin Shares

Paladin will apply for official quotation of the Paladin Shares on the ASX and for the Paladin Shares to be listed on the TSX. Quotation on ASX will not be automatic but will depend on ASX exercising its discretion. Listing on the TSX will be subject to the satisfaction of customary conditions imposed by the TSX. Paladin has already been admitted to the official list of the ASX and is a reporting issuer in Canada. Shares in Paladin of the same class as those to be issued under this Offer are already quoted on the ASX and listed on the TSX. But Paladin cannot guarantee, and does not represent or imply, that the Paladin Shares will be quoted or listed on either exchange.

10.6 Offer Period

Unless withdrawn or extended under section 10, this Offer is open during the period that begins on the date of this Offer, being 6 September 2010, and ends at 5 pm Perth time on 8 October 2010.

If, within the last 7 days of the Offer Period:

- (a) Paladin varies the Offers to improve the consideration offered;
- (b) the consideration is taken to be increased under section 651A(2) of the Corporations Act because Paladin purchases NGM Shares outside the Takeover Bid for a cash price; or
- (c) Paladin's voting power in NGM increases to more than 50%,

section 624(2) of the Corporations Act will apply to extend the Offer Period so that it ends 14 days after that event.

10.7 How to accept this Offer

(a) Accept for all your NGM Shares

You can only accept this Offer during the Offer Period for all your NGM Shares. You will be taken to have accepted the Offer for all your NGM Shares plus any additional NGM Shares registered as held by you at the date your acceptance is processed (despite any difference between that number and the number of NGM Shares specified when you accept this Offer).

(b) CHESS Holdings

If your NGM Shares are in a CHESS Holding, you must comply with the ASX Settlement Rules. To accept this Offer in accordance with those rules, you must:

- (i) **instruct** your Controlling Participant to initiate acceptance of this Offer under rule 14.14 of the ASX Settlement Rules; or
- (ii) if you are a Participant, yourself initiate acceptance under that rule; or
- (iii) if you are not a Participant:
 - (A) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
 - (B) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form. This will authorise Paladin to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf. For return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received by Paladin in time for Paladin to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

(c) Issuer Sponsored Holdings and other holdings

If your NGM Shares are held on NGM's issuer sponsored subregister, or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your NGM Shares, to accept this Offer you must:

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- (i) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
 - (ii) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form so that they are received before the end of the Offer Period.

10.8 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with section 10.7(b) or section 10.7(c) as applicable, you:

- (a) authorise Paladin and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of this Offer for your NGM Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your NGM Shares to Paladin; and
- (b) if any of your NGM Shares are in a CHESS Holding, authorise Paladin and each of its officers and agents to:
 - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those NGM Shares under rule 14.14 of the ASX Settlement Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those NGM Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

10.9 Your agreement

By carrying out the instructions in section 10.7 on how to accept this Offer:

- (a) you accept this Offer;
- (b) you represent and warrant to Paladin that all your NGM Shares will at the time of your acceptance of this Offer and of transfer to Paladin be fully paid up and that Paladin will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you represent and warrant that you are not a Foreign Ineligible Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledge and agree that if you are a Foreign Ineligible Shareholder, or Paladin believes you are a Foreign Ineligible Shareholder, section 10.22 applies to you;
- (d) you transfer, or consent to the transfer in accordance with the ASX Settlement Rules of, your NGM Shares to Paladin subject to the conditions of the constitution of NGM on which they were held immediately before your acceptance of this Offer (and Paladin agrees to take those NGM Shares subject to those conditions);
- (e) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Paladin has not yet paid or provided the consideration due to you), you irrevocably appoint Paladin and each director of, and any nominee of, Paladin as your attorney to:
 - (i) attend and vote in respect of your NGM Shares at all general and class meetings of NGM; and

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- (ii) execute all forms, notices, documents (including a document appointing a Paladin Director as a proxy for any of your NGM Shares) and resolutions relating to your NGM Shares and generally to exercise all powers and rights which you have as the registered holder of your NGM Shares;
 - (f) you agree that in exercising the powers conferred by the power of attorney in section 10.9(e), Paladin and each of the Paladin Directors and its nominee is entitled to act in the interest of Paladin;
 - (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Paladin has not yet paid or provided the consideration due to you), you agree not to attend or vote in person at any general meeting of NGM or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the Paladin Directors by section 10.9(e);
 - (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Paladin has not yet paid or provided the consideration due to you), you authorise Paladin to transmit a message to ASX Settlement in accordance with rule 14.17.1 of the ASX Settlement Rules so as to enter those of your NGM Shares which are in a CHESS Holding into Paladin's Takeover Transferee Holding; and
 - (i) (unless section 10.22 or section 10.23 applies to you), you:
 - (i) agree to accept the Paladin Shares to which you become entitled by accepting this Offer subject to the constitution of Paladin and authorise Paladin to place your name on its register of members for those Paladin Shares; and
 - (ii) instruct Paladin to issue the Paladin Shares to which you became entitled by accepting this Offer, if your NGM Shares are in a CHESS Holding, with the same holder identification number as affects your NGM Shares; and if your NGM Shares are held on NGM's issuer sponsored sub-register, on Paladin's issuer sponsored sub-register.

10.10 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 10.8 and paragraphs (e) and (h) of section 10.9.

10.11 Validation of otherwise ineffective acceptances

Except for NGM Shares in a CHESS Holding, Paladin may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Paladin does treat such an Acceptance Form as valid, subject to section 10.19, Paladin will not be obliged to give the consideration to you until Paladin receives all those documents and all of the requirements for acceptance referred to in section 10.7(c) and in the Acceptance Form have been met.

10.12 Defeating Conditions

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions:

(a) **Minimum acceptance condition**

During, or at the end of, the Offer Period the number of NGM Shares in which Paladin and its associates together have relevant interests (disregarding any relevant interest that Paladin has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the NGM Shares.

(b) **No prescribed occurrences**

None of the following events happens during the period beginning on the date the Bidder's Statement is given to NGM and ending at the end of the Offer Period:

- (i) NGM converts all or any of its shares into a larger or smaller number of shares;
- (ii) NGM or a subsidiary of NGM resolves to reduce its share capital in any way;
- (iii) NGM or a subsidiary of NGM:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) NGM or a subsidiary of NGM issues shares (other than NGM Shares upon the exercise of NGM Options or conversion of NGM Incentive Shares) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) NGM or a subsidiary of NGM issues, or agrees to issue, convertible notes;
- (vi) NGM or a subsidiary of NGM disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) NGM or a subsidiary of NGM charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) NGM or a subsidiary of NGM resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of NGM or of a subsidiary of NGM;
- (x) a court makes an order for the winding up of NGM or of a subsidiary of NGM;
- (xi) an administrator of NGM, or of a subsidiary of NGM, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) NGM or a subsidiary of NGM executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of NGM or of a subsidiary of NGM.

(c) **No prescribed occurrences between Announcement Date and service**

None of the events listed in sections 10.12(b)(i) to 10.12(b)(xiii) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to NGM.

(d) **No action by Public Authority adversely affecting the Takeover Bid**

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to NGM or any subsidiary of NGM; or
- (iii) no application is made to any Public Authority (other than an application by Paladin or any company within the Paladin Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or the completion of any transaction contemplated by the Bidder's Statement (including implementing the intentions expressed therein) or seeks to require the divestiture by Paladin of any NGM Shares, or the divestiture of any assets by NGM or by any subsidiary of NGM or by any company within the Paladin Group.

(e) **Approvals by Public Authorities**

During the Condition Period, Paladin receives all Approvals which are required by law or by any Public Authority:

- (i) to permit the Offers to be made to and accepted by NGM shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the NGM Shares and which are necessary for the continued operation of the business of NGM and its subsidiaries or of Paladin and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(f) **S&P ASX200 index**

During the Condition Period, the S&P ASX200 index does not close below 3,743.06 for 5 or more consecutive trading days.

(g) **No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by NGM before the Announcement Date, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Paladin:

- (i) NGM, or any subsidiary of NGM, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than A\$100,000 or makes an announcement about such an acquisition;

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- (ii) NGM, or any subsidiary of NGM, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than A\$100,000 or makes an announcement about such a disposal;
 - (iii) NGM, or any subsidiary of NGM, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than A\$100,000 or dual listed company structure, or makes an announcement about such a commitment; or
 - (iv) NGM, or any subsidiary of NGM, incurs or commits to, or grants to another person a right the exercise of which would involve NGM or any subsidiary of NGM incurring or committing to any capital expenditure or liability for one or more related items of greater than A\$100,000 or makes an announcement about such a commitment.

(h) **No material failings in filings**

Paladin does not become aware, during the Condition Period, that any document filed by or on behalf of NGM with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

(i) **No break fees**

- (i) Subject to section 10.12(i)(ii), during the Condition Period none of NGM, and any body corporate which is or becomes a subsidiary of NGM, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
 - (A) a takeover offer for NGM or any body corporate which is or becomes a subsidiary of NGM; or
 - (B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, NGM or any body corporate which is or becomes a subsidiary of NGM, or to operate NGM as a single economic entity with another body corporate.
- (ii) Section 10.12(i)(i) does not apply to a payment, benefit or agreement:
 - (A) for providing professional advisory services to NGM;
 - (B) which is approved in writing by Paladin;
 - (C) which is approved by a resolution passed at a general meeting of NGM; or
 - (D) which is made to, provided to, owed by or made with Paladin.

(j) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Paladin acquiring NGM Shares to:

- (i) acquire, or require NGM or a subsidiary of NGM to dispose of, or offer to dispose of, any material asset of NGM or a subsidiary of NGM;
- (ii) terminate or vary any material agreement with NGM or a subsidiary of NGM; or
- (iii) accelerate or adversely modify the performance of any obligations of NGM or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

(k) **Conduct of NGM's business**

During the Condition Period, none of NGM, or any body corporate which is or becomes a subsidiary of NGM, without the written consent of Paladin:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of NGM Shares upon the exercise of NGM Options or conversion of NGM Incentive Shares;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or

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- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

(l) **No force majeure event**

During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of NGM or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of NGM or any of its subsidiaries.

(m) **No material adverse change to NGM**

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the:

- (i) assets, liabilities, financial position, performance, profitability or prospects of NGM and its subsidiaries taken as a whole or of any of them; or
- (ii) status or terms of any material Approvals from Public Authorities applicable to NGM or any of its subsidiaries,

including:

- (iii) any creditor demanding repayment of a debt of A\$100,000 or more;
- (iv) NGM or a subsidiary of NGM entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is A\$100,000 or more;
- (v) any person accelerating or adversely modifying the performance of any obligations of NGM or any of its subsidiaries under any agreements, contracts or other legal arrangements;
- (vi) any of the Niger Tenements (or the extension of any of these tenements for a period of 27 months ending December 2012) is discovered to be not valid or binding.

(n) **Niger Tenements**

Prior to 11 September 2010, NGM or its subsidiary, Indo Energy Ltd, receives in writing all necessary approvals from relevant Public Authorities for the valid extension of the Niger Tenements for a period of 27 months ending December 2012, and otherwise without any material variation to any other terms or conditions of the Niger Tenements, and provides a copy of all such approvals to Paladin.

(o) **Restriction on others acquiring shares in NGM**

During the Condition Period, no person other than:

- (i) Paladin or an associate of Paladin (as defined in section 12(2) of the Corporations Act); or

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- (ii) an entity which, immediately prior to the Announcement Date, held 10% or more of the voting power in NGM,

obtains 10% or more of voting power in NGM.

(p) **Consent to listing**

The TSX consents to the issue and listing of the Paladin Shares to be issued under the Offer on that exchange on an unconditional basis or subject only to customary conditions.

(q) **Lender's consent**

The Société Générale, Australia Branch (ABN 71 092 516 286), in its capacity as agent under the Common Terms Agreements:

- (i) irrevocably and unconditionally consents to the acquisition by Paladin of some or all the NGM Shares pursuant to the Offer for the purposes of the Common Terms Agreements; and
- (ii) irrevocably and unconditionally waives any default under the Common Terms Agreements which has arisen, or may arise, solely as a result of the announcement or completion of the Offer by Paladin.

(r) **NGM Options**

During the Condition Period, either:

- (i) all NGM Options have been exercised, cancelled or transferred to Paladin or agreement has been reached between Paladin, NGM and the holders of the NGM Options to do so; or
- (ii) Paladin is entitled to compulsorily acquire all outstanding NGM Options in accordance with Chapter 6A of the Corporations Act.

(s) **NGM Incentive Shares**

During the Condition Period, all NGM Incentive Shares have been converted into NGM Shares, cancelled or transferred to Paladin, and if converted into NGM Shares, the holders of all NGM Shares arising upon conversion, have accepted the Offer in respect of all such shares.

(t) **Access to Information**

Between the Announcement Date and the end of the Offer Period, NGM promptly, and in any event within two business days, provides to Paladin a copy of all material information which Paladin may from time to time reasonably request, relating to NGM or any of its subsidiaries, or their respective assets, liabilities or operations.

(u) **BVI Subsidiaries**

Prior to 11 September 2010, NGM provides to Paladin certificates issued by Mossack Fonseca, the registered agent of Indo Energy Ltd and NGM Universal Limited (**BVI Subsidiaries**), confirming that each of the BVI Subsidiaries is in good standing, is wholly-owned by NGM and there are no charges registered against any of them.

10.13 Separate Defeating Conditions for benefit of Paladin

Each of the Defeating Conditions set out in paragraphs 10.12(e) and 10.12(i), and each of the Defeating Conditions in each other paragraph and each sub-paragraph of each other paragraph of section 10.12:

- (a) is and must be construed as a separate condition; and
- (b) subject to the Corporations Act, operates only for the benefit of Paladin and any breach or non-fulfilment of such condition may be relied upon only by Paladin which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

10.14 Nature of Defeating Conditions

None of the Defeating Conditions prevents a contract to sell your NGM Shares resulting from your acceptance of this Offer but:

- (a) breach of any of the Defeating Conditions entitles Paladin to rescind that contract by notice to you; and
- (b) non fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 10.18.

10.15 Defeating Conditions apply to multiple events

Where an event occurs that would mean at the time the event occurs a Defeating Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each Defeating Condition affected by that event becomes two separate Defeating Conditions on identical terms except that:

- (a) one of them relates solely to that event; and
- (b) the other specifically excludes that event.

Paladin may declare the Offer free under section 10.16 from either of those Defeating Conditions without declaring it free from the other and may do so at different times. This section may apply any number of times to a particular Defeating Condition (including a Defeating Condition arising from a previous operation of this section).

10.16 Notice declaring Offers free of Defeating Conditions

Subject to the Corporations Act, Paladin may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Defeating Conditions by giving written notice to NGM:

- (a) in the case of the Defeating Conditions in section 10.12(b), not later than 3 business days after the end of the Offer Period; and
- (b) in the case of all other Defeating Conditions, not less than 7 days before the last day of the Offer Period.

10.17 Notice of status of Defeating Conditions

The date for giving the notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is 1 October 2010 (subject to extension in accordance with the Corporations Act) if the Offer Period is extended.

As at 1 September 2010, being the latest practicable date prior to the lodgment of the Bidder's Statement with ASIC, the Defeating Conditions set out in sections 10.12(n) (*Niger*

Tenements), section 10.12(p) (*Consent to listing*), section 10.12(q) (*Lender's consent*) and section 10.12(u) (*BVI Subsidiaries*), have been fulfilled.

10.18 Contract void if Defeating Conditions not fulfilled

Your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Defeating Conditions in section 10.12 is not fulfilled; and
- (b) Paladin has not declared this Offer and any contract resulting from the acceptance of it free of that Defeating Condition in accordance with section 10.16.

Paladin notes NGM's ASX announcement made on 9 August 2010 relating to the triggering of the Defeating Condition in section 10.12(o) (Restriction on others acquiring shares in NGM), as a result of the recent acquisition by Deutsche Securities Australia Limited (a member of the Deutsche Bank group) of 10.7% of the voting power in NGM. Paladin further notes that on 11 August 2010, the Deutsche Bank group notified NGM that it had increased its relevant interest in the issued share capital of NGM to 11.74%. Paladin reserves its rights to rely on the non-fulfilment of the Defeating Condition in section 10.12(o) (and to treat your acceptance or the contract resulting from your acceptance of this Offer as void), or declare this Offer free of that Defeating Condition.

10.19 Payment of consideration

(a) When you will be paid

Subject to this section 10.19 and the Corporations Act, if you accept this Offer Paladin will pay you the consideration for your NGM Shares to which Paladin acquires good title on or before the earlier of:

- (i) the day 1 month after you accept this Offer or, if this Offer is subject to a Defeating Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

(b) Acceptance Form requires additional documents

Where documents are required to be given to Paladin with your acceptance to enable Paladin to become the holder of your NGM Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Paladin will pay you in accordance with section 10.19(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, Paladin will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, Paladin will pay you the consideration by the end of whichever of the following periods ends first:

- (A) 1 month after Paladin is given the documents; and
- (B) 21 days after the end of the Offer Period; or
- (iv) if the documents are given after the end of the Offer Period, Paladin will pay you the consideration within 21 days after the documents are given. However, if at the time Paladin is given the documents the contract resulting from acceptance of the Offer is still subject to a Defeating Condition in section 10.12, Paladin will pay you the consideration within 21 days after the contract becomes unconditional.

(c) **Delivery of consideration**

Subject to the Corporations Act, Paladin will send a holding statement for the Paladin Shares due to you at your risk by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

(d) **Registration of Paladin Shares**

Paladin has established share registers in Perth, Australia and Canada. Unless you request otherwise the Paladin Shares issued to you will be placed on the Australian register.

10.20 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Paladin on the grounds of a breach of a condition of that contract, Paladin will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

10.21 Rights

If Paladin becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Paladin all documents necessary to vest title to those Rights in Paladin. If you do not give those documents to Paladin, or if you have received or are entitled to receive (or any previous holder of your NGM Shares has received or is entitled to receive) the benefit of those Rights, you must pay the amount (or value as reasonably assessed by Paladin) of such Rights to Paladin.

10.22 Acceptance by Foreign Ineligible Shareholders

If you are a Foreign Ineligible Shareholder and you accept this Offer you will not be entitled to receive Paladin Shares as consideration for your NGM Shares. Instead Paladin will:

- (a) arrange for the issue to a nominee approved by ASIC of the number of Paladin Shares to which you and all other Foreign Ineligible Shareholders would have been entitled but for this section and the equivalent section in each of the Offers;
- (b) cause those Paladin Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period and otherwise in such manner, at such price and on such terms as are determined by the nominee; and
- (c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \times \frac{\text{your Paladin Shares}}{\text{total Paladin Shares}}$$

net proceeds of sale is the amount remaining after deducting the expenses of sale and of appointing the nominee from the total proceeds of sale of the Paladin Shares issued to the nominee under this section and the equivalent section in each of the Offers;

your Paladin Shares is the number of Paladin Shares which would, but for this section, have been issued to you; and

total Paladin Shares is the total number of Paladin Shares issued to the nominee under this section the equivalent section in each of the Offers.

You will be paid by cheque in Australian currency. The cheque will be sent at your risk by pre-paid airmail to the address shown in the NGM register last received by Paladin.

10.23 Unmarketable parcels of Paladin Shares

If you accept this Offer and the total number of Paladin Shares you are entitled (but for this section) to receive as consideration under this Offer is an unmarketable parcel, you will not be entitled to receive Paladin Shares as consideration for your NGM Shares. Instead, you will receive a cash amount for your NGM Shares under arrangements similar to section 10.22 which will apply to the Paladin Shares which you would have been entitled (but for this section) to receive as consideration, as if you were a Foreign Ineligible Shareholder. The cash amount you will receive will be calculated and paid in accordance with section 10.22 as if you were a Foreign Ineligible Shareholder.

10.24 Clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
 - (iii) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth);
 - (iv) the *Iraq (Reconstruction and Repeal Sanctions) Regulations 2003* (Cth); or
 - (v) any other law of Australia or elsewhere that would make it unlawful for Paladin to provide consideration for your NGM Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

10.25 Costs and stamp duty

Paladin will pay all costs and expenses of the preparation and circulation of the Offers and any stamp duty payable on the transfer of any NGM Shares to Paladin.

10.26 Offerees

(a) Registered holders

Paladin is making an offer in the form of this Offer to:

- (i) each holder of NGM Shares registered in the register of members of NGM at the Register Date; and
- (ii) each holder of Convertible Securities registered in the register of NGM Options and register of holders of NGM Incentive Shares NGM at the Register Date.

(b) Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your NGM Shares. That person may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical to this Offer had been made to them for those NGM Shares.

(c) Trustees and nominees

If during the Offer Period and before you accept this Offer your NGM Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) Paladin is taken to have made a separate Offer to you for each separate parcel of NGM Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of NGM Shares is ineffective unless:
 - (A) you give Paladin notice in accordance with section 10.26(d) stating that your NGM Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of NGM Shares in each separate parcel to which the acceptance relates.

(d) Notices by Trustees and Nominees

The notice required under section 10.26(c)(ii)(A):

- (i) if it relates to NGM Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to NGM Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

10.27 Variation and withdrawal of Offer

(a) Variation

Paladin may vary this Offer in accordance with the Corporations Act.

(b) Withdrawal

In accordance with section 652B of the Corporations Act, Paladin may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

10.28 Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in Western Australia.

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

Acceptance Form means the form with that title that accompanies this Bidder's Statement.

Announcement Date means the date of announcement of the Offer by Paladin, being 21 July 2010.

Approval means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

ASIC means the Australian Securities and Investments Commission.

Associates has the meaning given in section 12(2) of the Corporations Act.

ASX means ASX Limited or, if the context requires, the financial market conducted by it.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504.

ASX Settlement Rules means the operating rules of the settlement facility provided by ASX Settlement.

Bidder's Statement means this document, being the statement made by Paladin under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid.

Broker means a person who is a share broker and participant in CHES.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.

CHES Holding means a holding of shares on the CHES Subregister of NGM.

CHES Subregister has the meaning set out in the ASX Settlement Rules.

Common Terms Agreements means:

- (a) the common terms agreement and the interpretation agreement dated 31 March 2009 between, amongst others, Paladin (Africa) Ltd (as borrower), Paladin Energy Minerals NL (as guarantor), Paladin Energy Ltd (as sponsor) and Société Générale Australia Branch (as the intercreditor agent and security trustee), under which the loan facilities for the Kayelekera Mine are provided; and
- (b) the common terms agreement and the interpretation agreement dated 25 May 2006 between, amongst others, Paladin Finance Pty Ltd (as borrower), Paladin Energy Ltd (as guarantor and sponsor) and Société Générale Australia Branch (as agent and security trustee), under which the loan facilities for the Langer Heinrich Mine are provided.

Competing Proposal means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than Paladin or one of Paladin's Associates acquiring:
 - (i) an interest in all or a substantial part of the assets of NGM (including, for the avoidance of doubt, an interest in NGM's assets in Niger or Madagascar);
 - (ii) a relevant interest in more than 10% of the voting shares of NGM; or
 - (iii) control of NGM; or
- (b) NGM and another person or persons (other than Paladin or one of Paladin's Associates) operating under a dual listed company, or similar structure.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Controlling Participant means has the meaning set out in the ASX Settlement Rules.

Convertible Securities means the NGM Options and NGM Incentive Shares on issue at the Register Date.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

Defeating Condition means each condition set out in section 10.12.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

Foreign Ineligible Shareholder means a person whose address as shown in the register of members of NGM is in a jurisdiction other than Australia and its external territories or New Zealand, unless Paladin determines otherwise, being satisfied by the law of that jurisdiction that it is lawful and not onerous to make the Offer to that person and to issue them with Paladin Shares and that it is lawful for that person to accept the Offer.

foreign law means a law of a jurisdiction other than an Australian jurisdiction.

GST has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Indicated Mineral Resource has the meaning given to it in Appendix 5A of the ASX Listing Rules.

Inferred Mineral Resource has the meaning given to it in Appendix 5A of the ASX Listing Rules.

Issuer Sponsored Holding means a holding of NGM Shares on NGM's issuer sponsored subregister.

JORC means the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (as revised and updated from time to time).

Measured Mineral Resource has the meaning given to it in Appendix 5A of the ASX Listing Rules.

Merged Entity means Paladin following the acquisition by it of 100% of NGM under the Offer.

Mineral Resource has the meaning given to it in Appendix 5A of the ASX Listing Rules.

NGM means NGM Resources Limited ABN 27 107 131 653.

NGM Board means the board of directors of NGM.

NGM Directors means the directors of NGM.

NGM Group means NGM and its related bodies corporate.

NGM Incentive Shares means convertible incentive shares issued in the capital of NGM.

NGM Options means options to subscribe for NGM Shares.

NGM Shares means fully paid ordinary shares in NGM.

Niger Tenements means the following mining licences granted by the Republic of Niger to Indo Energy Ltd:

- (a) Terzemazour I (Decret No. 2007-165/PRN/MME);
- (b) Toulouk I (Decret No. 2007-166/PRN/MME); and
- (c) Tagait IV (Decret No. 2007-167/PRN/MME).

NSE means the Namibian Stock Exchange.

Offer means the offer as set out in section 10 of this Bidder's Statement (or, if the context so requires, section 10 of this Bidder's Statement itself) and includes a reference to that offer as varied in accordance with the Corporations Act.

Offer Period means the period referred to in section 10.6 of this Bidder's Statement.

Offers means the Offer and each of the other offers made in the same terms for NGM Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

Ore Reserve has the meaning given to it in Appendix 5A of the ASX Listing Rules.

pa means per annum.

Paladin means Paladin Energy Limited ABN 47 061 681 098.

Paladin 2009 Annual Report means the annual report of Paladin for the financial year ended 30 June 2009 as lodged with ASX on 24 September 2009.

Paladin 2010 Annual Report means the annual report of Paladin for the financial year ended 30 June 2010, expected to be lodged with the ASX by 28 September 2010.

Paladin Board means the board of directors of Paladin.

Paladin Contractor Plan means the performance share rights plan for contractors of Paladin approved by Paladin Shareholders on 25 November 2009, as described in section 3.4(a).

Paladin Directors means the directors of Paladin.

Paladin Employee Plan means the performance share rights plan for employees of Paladin approved by Paladin Shareholders on 25 November 2009, as described in section 3.4(a).

Paladin EXSOP means the Paladin Executive Share Option Plan approved by Paladin Shareholders on 21 November 2006 as described in section 3.4(b).

Paladin Group means Paladin and its related bodies corporate.

Paladin Incentive Plans means the Paladin Employee Plan and the Paladin Contractor Plan, as described in section 3.4(a).

Paladin Shares means fully paid ordinary shares in Paladin.

Probable Ore Reserve has the meaning given to it in Appendix 5A of the ASX Listing Rules.

Proved Ore Reserve has the meaning given to it in Appendix 5A of the ASX Listing Rules.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Register Date means the date set by Paladin under section 633(2) of the Corporations Act.

Rights means all accretions and rights attaching to NGM Shares at or after the Announcement Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by NGM).

S&P ASX200 index means the index of that name published by Standard & Poor's (or any successor of or replacement for that index).

SRA means Summit Resources (Aust) Pty Ltd.

Takeover Bid means the takeover bid constituted by the Offers.

Takeover Transferee Holdings means the CHESS Holding to which NGM Shares are to be transferred after acceptance of the Offer.

TSX means the Toronto Stock Exchange.

unmarketable parcel means a number of Paladin Shares with a total value of less than \$500, calculated based on the highest closing price for Paladin Shares on the ASX during the bid period.

your NGM Shares means, subject to section 10.26, the NGM Shares:

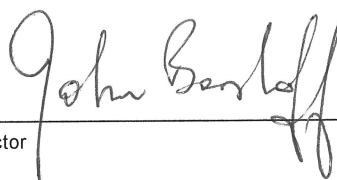
- (a) of which you are registered or entitled to be registered as the holder in the register of members of NGM at the Register Date and any new NGM Shares of which you are registered or entitled to be registered as the holder on the register of members of NGM from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, Convertible Securities; and
- (b) any other NGM Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

11.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests one gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
 - (v) a reference to a person includes a body corporate; and
 - (vi) a reference to any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (vii) a reference to **A\$** is to the lawful currency in Australia;
 - (viii) a reference to **C\$** or **Canadian dollar** is to the lawful currency of Canada;
 - (ix) a reference to **US\$** or **US dollar** is to the lawful currency of the United States of America;
 - (x) a reference to **Mlb**, **t** or **Mt** is to million imperial pounds, metric tonnes and million metric tonnes respectively; and
 - (xi) appendices to this Bidder's Statement form part of it.

Dated 2 September 2010

Signed on behalf of Paladin Energy Limited by John Borshoff authorised to sign by a resolution unanimously passed at a meeting of the Paladin Board.

A handwritten signature in cursive script, reading "John Borshoff". The signature is written in dark ink and is positioned above a horizontal line.

Director

Annexure A

ASX announcements by Paladin since the date of lodgment of the Paladin 2009 Annual Report on 24 September 2009

Date	Announcement
27/08/2010	Appendix 4E Preliminary Financial Report
18/08/2010	Becoming a substantial holder
12/08/2010	Quarter and Year End June 2010 Conference Call
05/08/2010	Paladin Signs Strategic MOU with SGNPC
02/08/2010	Appendix 3B
21/07/2010	Recommended Takeover Offer by Paladin for NGM
20/07/2010	Negotiations with NGM
19/07/2010	Quarterly Activities Report for Period ended 30 June 2010
01/07/2010	Board Changes
28/06/2010	Form 604 for NGM
09/06/2010	Uranium One Inc Sells Paladin Shares
03/06/2010	Appendix 3B
13/05/2010	March 2010 Quarter Financial Report and MD&A
11/05/2010	Paladin Share Register Movement - update
10/05/2010	Paladin Share Register Movement – update
06/05/2010	Third Quarter Conference Call and Investor Update
30/04/2010	Paladin Share Register Movement
22/04/2010	Quarterly Activities Report for Period Ended 31 March 2010
01/04/2010	Appendix 3B
01/04/2010	Response to ASX Query
03/03/2010	Appendix 3Y - J Borshoff
16/02/2010	Appendix 3Y - R Crabb
16/02/2010	Appendix 3Y - J Borshoff
15/02/2010	Conference Call Rescheduled

Date	Announcement
12/02/2010	Second Quarter Half Year Conference Call and Investor Update
12/02/2010	Appendix 4D and December Half Yearly Financial Report and MD&A
27/01/2010	Quarterly Activities Report for Period ended 31 December 2009
14/01/2010	Form 604 for Summit Resources Limited
24/12/2009	Appendix 3Y
09/12/2009	Kayelekera Mine Unaffected by Malawi Earthquakes
07/12/2009	Change of Address
03/12/2009	Settlement of Areva Proceedings
25/11/2009	Voting Results at AGM
25/11/2009	Annual General Meeting Chairman's Address
17/11/2009	Fees Paid to Independent Auditor
12/11/2009	September Quarter 2009 Conference Call and Investor Update
12/11/2009	September 2009 Quarterly Financial Report and MD&A
02/11/2009	Amendment re Annual Report
02/11/2009	Paladin Appoints New Chief Financial Officer
29/10/2009	Quarterly Activities Report for Period Ended 30 September 2009
29/10/2009	New Langer Heinrich and Kayelekera Expansion
23/10/2009	Notice of Annual General Meeting 2009
08/10/2009	Kayelekera Fatality
08/10/2009	Settlement - Lift Capital Partners Pty Ltd

Annexure B
ASX announcements by NGM since 1 July 2009

Date	Announcement
02/09/2010	Notice of ceasing to be a substantial holder
11/08/2010	Notice of change of interest of substantial holder
09/08/2010	Acquisition of Relevant Interest by Deutsche Bank Group
03/08/2010	Notice of change of interest of substantial holder
03/08/2010	Notice of change of interest of substantial holder
30/07/2010	Quarterly Activities and Cashflow Report for Period ended 30 June 2010
29/07/2010	Notice of change of interest of substantial holder
29/07/2010	Notice of initial substantial holder
21/07/2010	A\$27 Million Takeover Offer by Paladin
19/07/2010	Trading Halt
15/07/2010	Another New Mineralised System Discovered in Niger
25/06/2010	Niger Extension of Permit Expiry Dates
08/06/2010	Response to ASX Query re Director's Interest
03/06/2010	Appendix 3X
27/05/2010	Niger Drilling Update
05/05/2010	Niger Drilling Update
29/04/2010	Quarterly Activities and Cashflow Report for Period ended 31 March 2010
31/03/2010	Appendix 3B Issue of Options
31/03/2010	NGM Presentation Niger and Madagascar
24/03/2010	Operational Update - Niger and Madagascar
15/03/2010	Half Yearly Report and Accounts for Half Year ended 31 December 2010
29/01/2010	December 2009 Quarterly Activities and Cashflow Report
28/01/2010	Resource Update Takardeit Project – Niger
27/01/2010	Exploration Update - Madagascar
27/01/2010	Final Director's Interest Notice - G Corner

Date	Announcement
22/01/2010	Director Resignation and New Appointments
15/12/2009	Niger Drilling Update
26/11/2009	Results of Meeting
06/11/2009	Niger Drilling Update
29/10/2009	Quarterly Activities and Cashflow Reports for Period ended 30 September 2009
23/10/2009	Notice of Annual General Meeting/Proxy Form
23/10/2009	Annual Report to shareholders
14/10/2009	NGM commences second drilling programme in Niger
09/10/2009	Notice under S. 708A - Cleansing statement
05/10/2009	Results of Meeting
21/09/2009	Conference Presentation 21 September 2009
21/09/2009	Boardroom Radio presentation and link
17/09/2009	NGM signs 4,000m drilling contract
17/09/2009	Re-release of Review of Operations to Statutory Accounts
16/09/2009	Full Year Statutory Accounts for Year Ended 30 June 2009
04/09/2009	Aerial survey over Niger concessions
01/09/2009	Notice of Annual General Meeting/Proxy Form
31/08/2009	Cleansing Statement - Tranche 1 issue
27/08/2009	Appendix 3B
20/08/2009	Strong interest in \$5.3m Placement
18/08/2009	Trading Halt
18/08/2009	Request for Trading Halt
04/08/2009	Boardroom Radio broadcast with Director R Kirtlan
04/08/2009	Exploration Drilling Update
29/07/2009	Presentation to 20 20 Conference
29/07/2009	Quarterly Activities and Cashflow Reports for Period ended 30 June 2009
23/07/2009	Niger Drilling Exploration Update

Date	Announcement
07/07/2009	Drilling commences in Niger