



PALADIN RESOURCES LTD

A.C.N. 061 681 098

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Ref: 39373

24 August 2006

Company Announcements Office
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

CONDITION REGARDING VALHALLA JORC COMPLIANT RESOURCE

Paladin Resources Ltd ("Paladin") confirms that Condition 12.8(k) to Paladin's offer for Valhalla Uranium Ltd ("VUL") (Valhalla resource) has been fulfilled. The resource specified in the condition has been reached as a result of using a substantially lower cut-off grade than was used in the previous VUL announcements.

Paladin announced yesterday that it had concerns regarding aspects of the resource reported and needed time to consider whether the resource statement did satisfy Condition 12.8(k) and/or trigger other conditions. Paladin has had to rely solely on information in the public domain together with its own extrapolations between the two cases announced by the Joint Venture Participants in reviewing the resource statement and reconciling the result to the previous resource announced in VUL's prospectus. The VUL prospectus resource was based on a 450 ppm U_3O_8 cut off grade while the resource announced yesterday was at both 230 ppm U_3O_8 and 640 ppm U_3O_8 cut off grades. This has taken some time to do.

While Paladin notes that the grade is somewhat lower than it had expected based on the earlier VUL resource statement and other information in the public domain, it is comfortable that the 12.8(k) condition has been met.

Should Paladin be successful in the offer for VUL and have full access to the Joint Venture project data, the cut-off grade used for future Paladin JORC and Canadian NI 43-101 compliant resource statements may differ from that used by the present Joint Venture Partners in their announcements yesterday.

We enclose, by way of service pursuant to paragraph 630(5)(b) of the Corporations Act 2001 and as required by subsection 630(4) of the Corporations Act 2001, a notice declaring that the condition in section 12.8(k) (Valhalla resource) of Paladin Resources Ltd's bidder's statement dated 24 July 2006 has been fulfilled.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director

Paladin Resources Ltd ACN 061 681 098

Notice that defeating condition to takeover bid fulfilled

To: Australian Stock Exchange Limited
Valhalla Uranium Limited ACN 116 370 720

For the purposes of subsection 630(4) of the Corporations Act 2001, Paladin Resources Ltd gives notice declaring that the condition to its takeover offers for all the ordinary shares in Valhalla Uranium Limited (**Offers**), set out in section 12.8(k) (Valhalla resource) of its bidder's statement dated 24 July 2006, has been fulfilled (so that the Offers have become free of that condition).

Date: 24 August 2006

Signed for and on behalf of Paladin Resources Ltd by



Gillian Swaby
Company Secretary