



PALADIN RESOURCES LTD

A.C.N. 061 681 098

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Ref: 40405

7 September 2006

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

Dear Sirs

**Takeover bid by Paladin Resources Limited for Valhalla Uranium Limited
Notice that defeating conditions to takeover bid freed**

We enclose, by way of service pursuant to paragraph 650F(3)(a) of the Corporations Act 2001, a notice declaring that the offers have been freed from all remaining defeating conditions in Paladin Resources Ltd's bidder's statement dated 24 July 2006.

Yours faithfully
Paladin Resources Ltd

GILLIAN SWABY
Company Secretary

Paladin Resources Ltd ACN 061 681 098

Company notice – subsection 650F Corporations Act 2001 (Cth)

Notice that defeating conditions to takeover bid freed

To: Australian Stock Exchange Limited

Valhalla Uranium Limited ACN 116 370 720 (**Valhalla**)

For the purposes of section 650F of the Corporations Act 2001, Paladin Resources Limited (**Paladin**) gives notice declaring that:

1. its takeover offers for all the ordinary shares in Valhalla are free from the conditions set out in sections 12.8(b) (No regulatory action), 12.8(c) (Compulsory acquisition), 12.8(d) (No material adverse change), 12.8(e) (Mt Isa), 12.8(f) (No breach, termination or variation of the Mt Isa Agreement), 12.8(g) (No change of control rights), 12.8(j) (Access to information), 12.8(l) (No prescribed occurrences) of Paladin's bidder's statement dated 24 July 2006; and
2. its voting power in Valhalla as at the date of this notice is 94.21%.

Date: 7 September 2006