



# PALADIN RESOURCES LTD

A.C.N. 061 681 098

GRAND CENTRAL 1<sup>ST</sup> FLOOR, 26 RAILWAY ROAD  
SUBIACO WESTERN AUSTRALIA 6008  
PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

TELEPHONE: (+61 8) 9381 4366 FAX: (+61 8) 9381 4978  
EMAIL: [paladin@paladinresources.com.au](mailto:paladin@paladinresources.com.au)  
Web: [www.paladinresources.com.au](http://www.paladinresources.com.au)

Ref: 40407

7 September 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange

Dear Sir / Madam

**Takeover bid by Paladin Resources Ltd for Valhalla Uranium Limited  
First Supplementary Bidder's Statement**

We attach, by way of service pursuant to paragraph 647(3)(b) of the Corporations Act 2001, Paladin's first supplementary bidder's statement dated 7 September 2006.

Yours faithfully  
Paladin Resources Ltd

**GILLIAN SWABY**  
Company Secretary

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## **Paladin Resources Ltd ACN 061 681 098**

### **First Supplementary Bidder's Statement**

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#### **1 Introduction**

This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth) (**Corporations Act**). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Paladin Resources Ltd ACN 061 681 098 (**Paladin**) in relation to its off-market takeover bid for all the Valhalla Uranium Limited ABN 73 116 370 720 (**Valhalla**) ordinary shares (the **Offer**). This First Supplementary Bidder's Statement supplements, and should be read together with, Paladin's bidder's statement dated 24 July 2006 (**Original Bidder's Statement**).

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#### **2 Resolute indemnifies Paladin regarding Mt Isa Agreement**

On 7 September 2006, Resolute Mining Ltd (**Resolute**) and Paladin executed a deed of indemnity (**Deed**).

Under this Deed, Resolute has indemnified Paladin for any loss it suffers as a result of a material breach of the Mt Isa Agreement due to disclosure of information concerning the joint venture to persons not party to the Mt Isa Agreement by Mt Isa or Resolute prior to Paladin acquiring control of Mt Isa.

The indemnity only applies where Paladin acquires all the issued shares of Valhalla and Resolute's liability is limited to a maximum of \$75 million.

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#### **3 Additional information**

##### **3.1 Offer freed from all remaining defeating conditions**

On 7 September 2006, Paladin declared the Offer free from all remaining conditions with the result that the Offer is now unconditional.

##### **3.2 Compulsory acquisition thresholds satisfied**

As at the date of this First Supplementary Bidder's Statement, Paladin's voting power in Valhalla was 94.21%.

Paladin now has relevant interests in sufficient Valhalla Shares to be entitled to proceed with compulsory acquisition under Part 6A.1 of the Corporations Act.

Paladin encourages all Valhalla shareholders who have not already accepted the Offer to do so as soon as possible. Shareholders who accept the Offer will receive Paladin Shares pursuant to the Offer earlier than shareholders whose Valhalla Shares are acquired by Paladin under the compulsory acquisition process.

##### **3.3 Close of Offer**

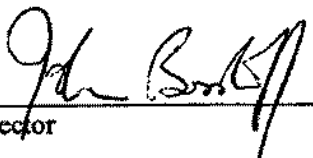
Paladin's Offer will close at 5:00pm (Perth, time) on 15 September 2006 and will not be extended.

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**4 Other notices**

Unless the context otherwise requires, terms defined in the Original Bidder's Statement have the same meaning as in this First Supplementary Bidder's Statement. A copy of this First Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Paladin following a unanimous resolution of its directors.

  
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Director

Dated: 7 September 2006