

PALADIN RESOURCES NL



ANNUAL REPORT 1995

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Duncraig WA 6023

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Ms Gillian Swaby  
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**ANNUAL GENERAL MEETING**

A Notice of Meeting and Proxy Form accompanies this Annual Report.



Dear Shareholder

It is with pleasure that I present the Annual Report of Paladin Resources NL now that your Company has completed its first full year of exploration activities since listing in March 1994.

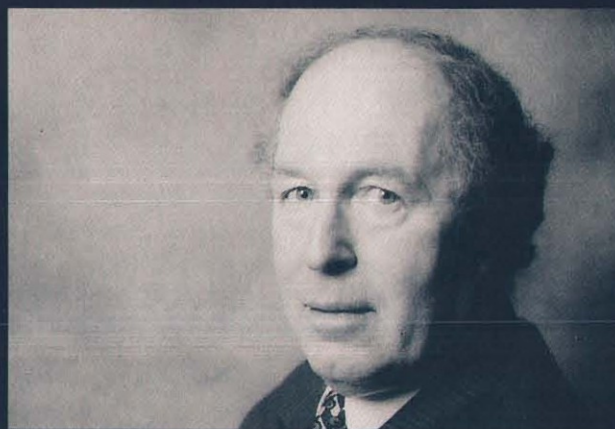
The stated objectives of Paladin have been aggressively pursued and maintained, to explore high priority projects. Project generation activities utilised its significant data base to seek advanced projects and develop early cash flow.

Exploration has isolated some highly encouraging gold targets particularly in the Lake Roe Project and the North Goodall Joint Venture Project. These projects will require deep drilling to fully test potential and will be a significant part of activities. Extensive prospective zones have also been delineated in the Dunnsville, Litchfield and Hatches Creek projects all of which combine to make an excellent exploration portfolio for the Company.

Project generation activities are identifying areas which are prospective for gold and copper. The new Barrow Creek Project, for instance, is one such area to emerge from the project generation studies where the geology is seen to be similar to that of the highly prospective Granites - Tanami region.

Paladin continues to evaluate advanced project and corporate opportunities and has assessed several gold projects and companies with a view to acquisition. This has led to the North Goodall Joint Venture and the recent acquisition of over 5% of National Resources Exploration Ltd.

Funds are being conserved to the fullest extent possible within the active exploration programmes. Paladin has a cash reserve at the end of June 1995 of \$4,000,000 which places it in a strong position to achieve discovery and development.



A handwritten signature in white ink, appearing to read "D. Dunnet", written over a horizontal line.

Dr. D. Dunnet  
Chairman



## RESULTS AT A GLANCE

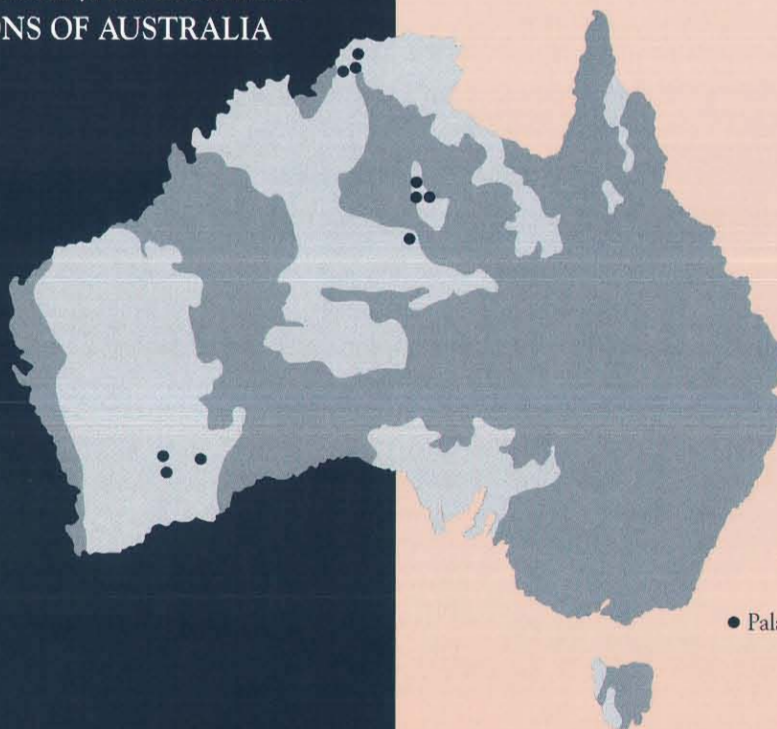
- *Exploration Highlights*

- *At the **Rocky Dam Prospect** located in the **Lake Roe Project** a zone of gold mineralisation has been delineated which is open both at depth and to the south.*
- *In the **Five Teamsters Prospect**, within the **North Goodall Joint Venture Project**, strong soil geochemical anomalies defined two high priority exploration targets.*
- *The **Buffalo Yard Anomaly** in the **Central Pine Creek Project** is offering prime exploration targets for follow-up investigation.*
- *A highly prospective exploration target has now been defined in the **Dummsville Project**.*

- *Exploration expenditure for the year ending 30 June 1995 amounted to \$1,030,542 focussed on nine projects in Western Australia and Northern Territory.*
- *Paladin has developed an excellent portfolio of exploration tenements.*
- *Paladin is under-taking intensive project generation activities and seeking to acquire an advanced project to develop early cash flow.*



### ARCHAEAN/PROTEROZOIC REGIONS OF AUSTRALIA





INTRODUCTION

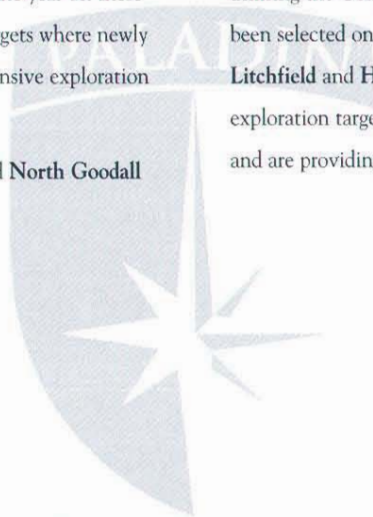
Paladin has nine exploration projects located in Western Australian and Northern Territory (Figure 1). The projects contain 28 mining tenements, three of which are at an application stage.

The main exploration effort has been focussed on five projects located in the East Yilgarn of Western Australia and the Pine Creek and Tennant Creek regions of the Northern Territory. These projects occur within established and recognised gold producing provinces where potential for discovery of further deposits is considered to be high. The investigations during the year on these projects have delineated five prime exploration targets where newly discovered gold mineralised zones will require extensive exploration follow-up investigation in the forthcoming year.

In particular, early work in the recently established **North Goodall**

**Joint Venture Project** in the prospective Pine Creek Region of the Northern Territory has defined two clearly anomalous targets requiring further exploration. At the **Lake Roe Project** work has delineated a gold mineralised zone open at depth to the south which requires deep drilling to test its potential.

Paladin's four other projects are located in the Litchfield, Hatches Creek / Davenport and Northern Arunta regions of the Northern Territory. These are the result of project generation activities utilising the Company's extensive exploration data base and have been selected on conceptual geological models. Work on the **Litchfield and Hatches Creek Projects** has outlined several specific exploration targets which have both validated the concepts adopted and are providing some exciting prospective zones for follow-up.



Extensive exploration has been carried out on the above projects comprising:

EXPLORATION METHOD	WA Projects	NT Projects	Total
Gridding (km's)	175	285	460
Ground magnetic survey (km's)	86	136	222
Soil/lags geochemistry (No.)	1601	2846	4447
Drill sample analysis (No.)	1338	1902	3240
Shallow drilling (metres)	892	15359	16251

PROJECT LOCATIONS

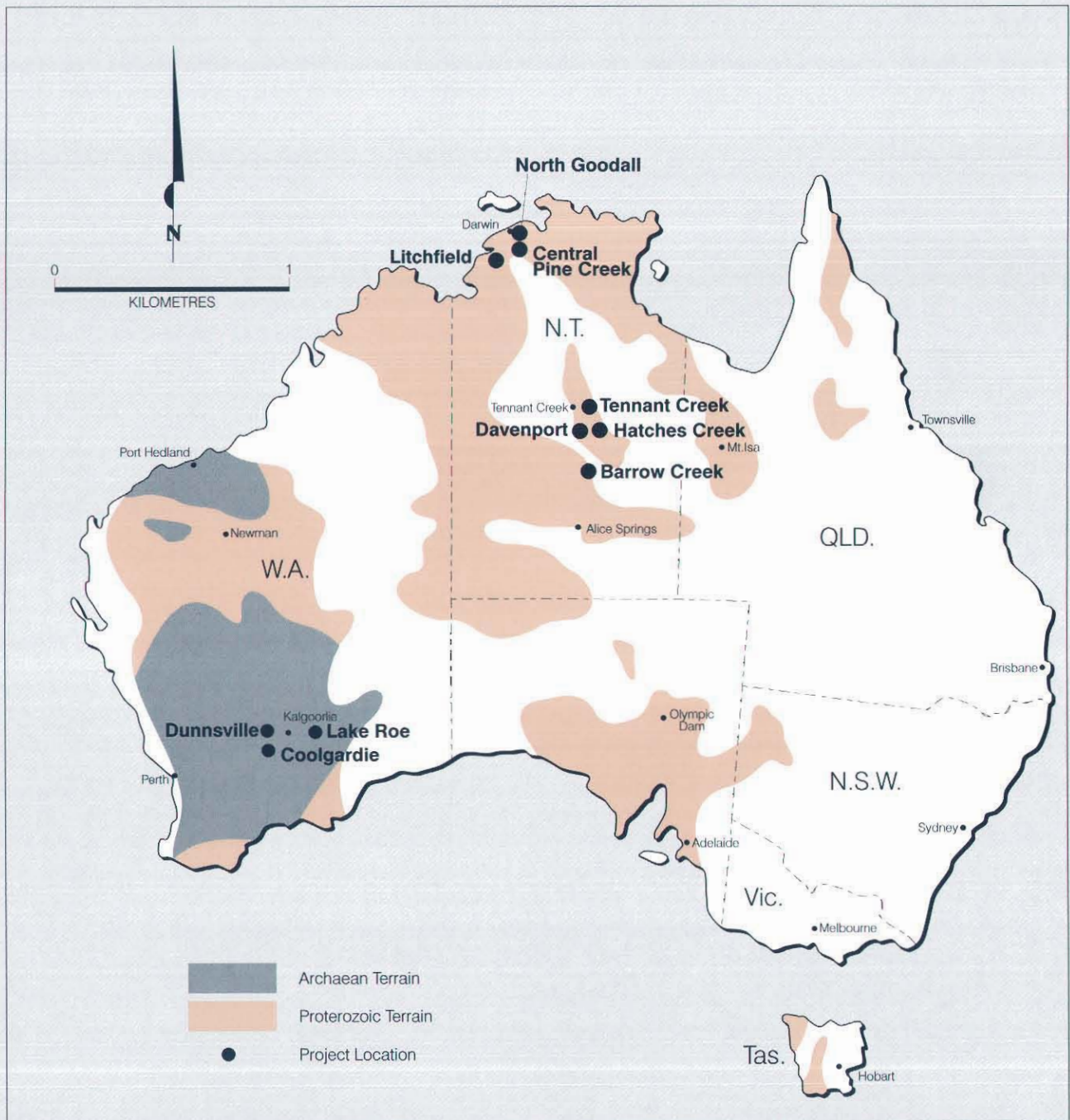


Figure 1.



WESTERN AUSTRALIAN PROJECTS

Paladin operates two exploration projects in Western Australia.

Highlights include:

- **Rocky Dam Prospect** - zone of gold mineralisation delineated in the Lake Roe Project which is open both at depth and to the south; and
- An excellent exploration target now defined in the **Dunnsville Project**.

LAKE ROE PROJECT *Paladin 100%*

The Lake Roe Project is located 100 kilometres due east of Kalgoorlie and consists of three Exploration Licences (E's 28/495, 28/504 and 28/521). The tenements cover an area of 358 square kilometres and straddle the north north-west trending prospective Keith Kilkenny Structural Corridor which contains the Karonie, Edjudina and Old Plough Dam gold orebodies. Paladin's tenements are situated 30 kilometres north of the recently announced Karonie Gold discoveries.

This year a soil survey on E28/495, following-up the lag geochemical anomaly at Rocky Dam, identified a 500m x 100m greater than 10ppb gold soil anomaly with soil values in the range of 10-37ppb gold (Figure 2). Geological mapping in the poorly outcropping areas showed a sequence of felsic volcanics, basalts and porphyries. The soil anomaly is located over an area of colluvial cover.

This anomaly, referred to as the Rocky Dam Prospect, was tested with a 900m RAB shallow drilling program involving 32 holes.

The drilling program returned some very encouraging results confirming structures in this area are prospective for gold. The 0.1ppm gold contour line (maximum value downhole) delineates an anomalous zone measuring 120 x 250 metres. The zone is open to the south and at depth. The gold mineralised zone that has been delineated is regarded as a priority target occurring along the prospective Keith Kilkenny structural corridor. Table 1 summarises significant intersections which were returned from the shallow RAB drilling program.

Follow-up work on the Rocky Dam Prospect will involve further soil geochemical surveys, ground magnetics and shallow RAB drilling to follow the zone to the south, to establish the full extent of the supergene enriched zone of gold mineralisation that has been identified and to locate the primary gold source. An eight hole deeper drilling RC drilling program (100m depth) is also planned to undercut the zone of highest value mineralisation.

The Company is encouraged by the positive results that are developing on E28/495 and further efforts will focus within the Rocky Dam prospect area. Farm-in joint venture partners will be sought to continue exploration on E28/504 and E28/521.

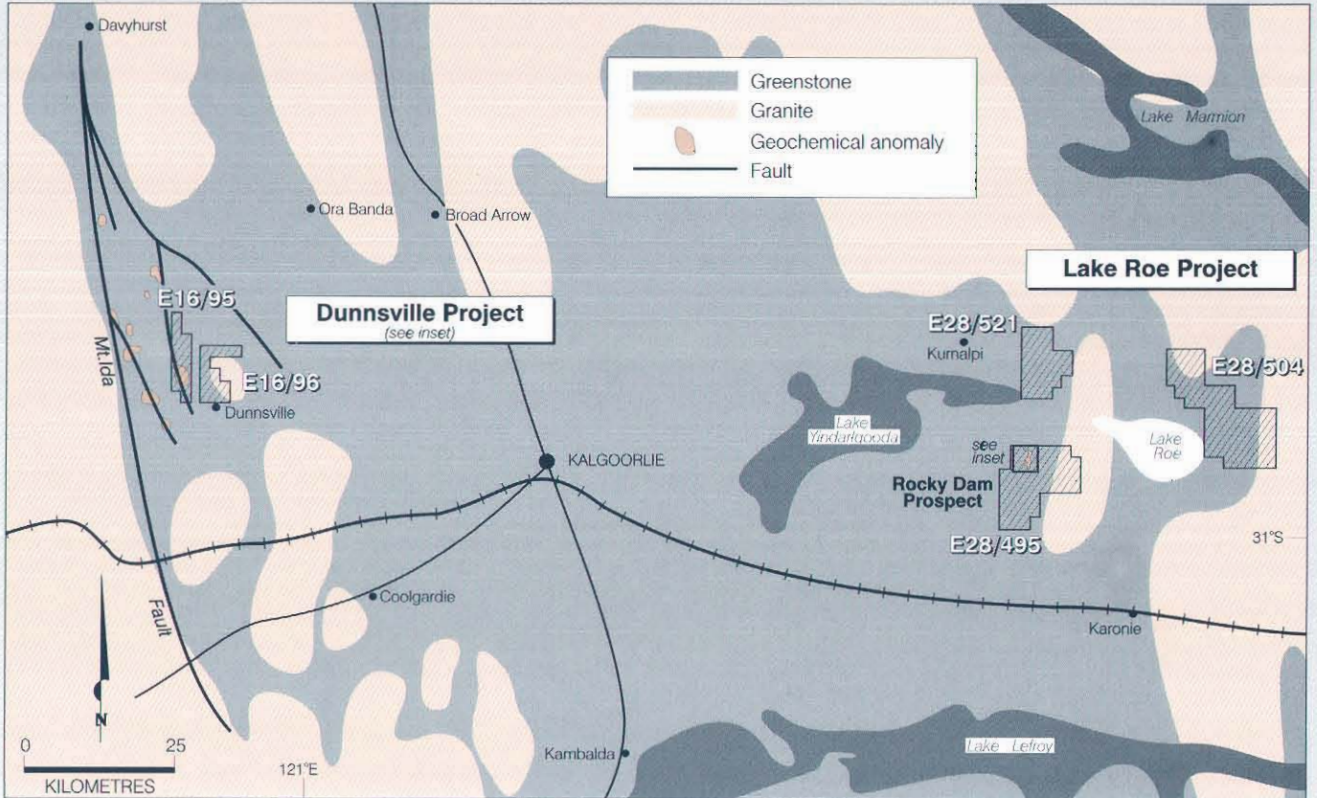
TABLE 1 Significant RAB Drill Intersections: Rocky Dam Prospect

HOLE	mN	mE	FROM	TO	INTERVAL m	Au (PPM)
RDR 14	9300N	9200E	36	39	3	0.375
			39	42	3	0.110
RDR 16	9200N	9120E	21	24	3	0.395
			24	26	3	0.900
			26	27*	1	3.300
RDR 18	9200N	9200E	21	24*	3	3.090
RDR 28	9200N	9220E	42	45*	3	0.105
RDR 21	9100N	9080E	42	45	3	0.230
			45	48	3	0.255
			48	51*	3	0.165
RDR 26	9100N	9180E	39	40*	1	0.100
RDR 27	9100N	9140E	39	42*	3	0.170

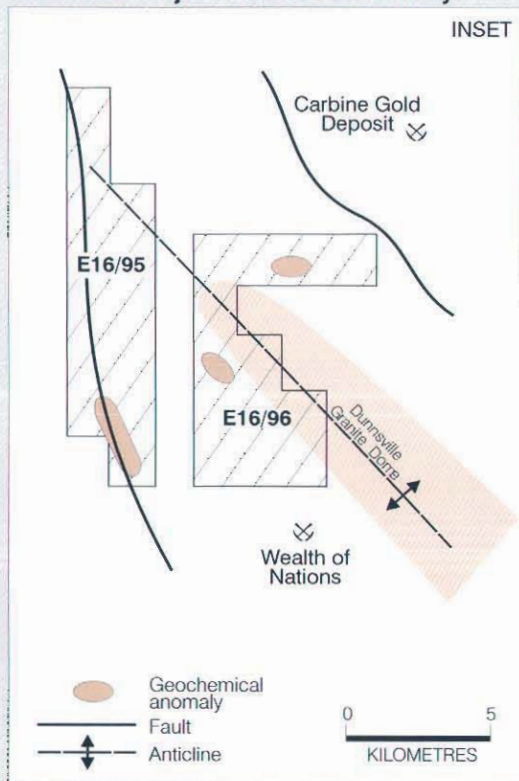
\* Bottom of Hole



EAST YILGARN PROJECTS (Western Australia)



Dunnsville Project - Soil Geochemistry



Rocky Dam Prospect  
Soil and Shallow Drilling Results

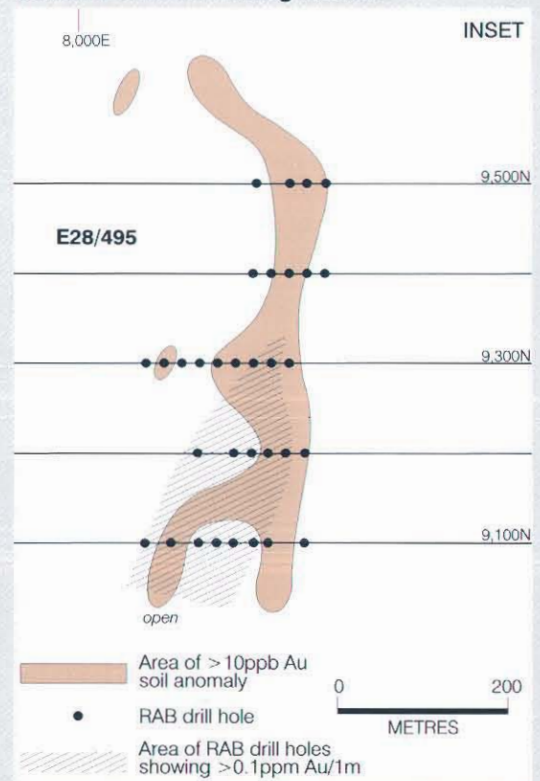


Figure 2.



## WESTERN AUSTRALIAN PROJECTS (Continued)

*DUNNSVILLE PROJECT* *Paladin 100%*

The Dunnsville Project consists of two Exploration Licences E16/95 and E16/96 covering 72 square kilometres. The project is located 50 kilometres north-northwest of Coolgardie (Figure 2).

Exploration in the area is targeted on north west trending shear zones which parallel the Dunnsville granite. These structures are gold bearing as evidenced by the Carbine gold deposit located north east of the project area, where Newcrest is currently carrying out a feasibility study, and the series of gold prospects recently discovered by Delta Gold on parallel structures to the west.

On E16/95 a reconnaissance soil geochemical survey over a colluvial and pisolite covered north west trending structure returned anomalous gold values ranging from 15ppb to 40ppb on three of the 6m x 500m spaced test lines which were sampled. The anomaly is coincident with a magnetic signature and rock chip sampling from this area returned a maximum value of 0.73ppm gold. The anomalism will be investigated with a detailed soil and ground magnetic survey and shallow bedrock drilling to delineate specific targets.

*COOLGARDIE JOINT VENTURE*

A 50:50 joint venture was formed between Paladin and Orion Resources NL to operate within a selected region south of Coolgardie to evaluate for the acquisition of suitable properties to explore on completion of the assessment program. No suitable ground was available and the joint venture was subsequently dissolved.

## NORTHERN TERRITORY PROJECTS

Paladin operates six projects in the Northern Territory. Highlights of exploration include:

- **Five Teamsters Prospect** where strongly anomalous soil geochemical results define two high priority exploration targets in this joint venture project.
- **Buffalo Yard Anomaly** in the Central Pine Creek Project offering prime exploration targets for follow-up investigation.

*NORTH GOODALL JOINT VENTURE* *Paladin earning 51%*

In May 1995, an agreement was reached with Giants Reef Mining NL to enter into a joint venture on the North Goodall Gold Project. The project comprises three exploration licences covering approximately 57 square kilometres, located three kilometres northwest of the closed Goodall Gold Mine in the Pine Creek Geosyncline, Northern Territory.

Under the terms of the agreement, Paladin can earn a 51% interest by exploration expenditure and acquisition costs totalling \$250,000 with a minimum expenditure commitment of \$80,000. A 1% gross royalty is payable on production to the prospecting syndicate by Paladin and its joint venture partner, Giants Reef Mining.

The focal area of exploration is the Five Teamsters Prospect located within EL 7676 (Figure 3). This gold bearing zone is associated with zones of quartz/gossan veining occurring over an area of 1000m x 500m.

A soil geochemical survey of 360 samples covering an area of 1600m x 1400m has delineated two strongly anomalous zones. The western anomaly measures 400m x 50m and terminates to the north and south due to blanketing by transported soil cover. Two continuous sub-parallel anomalous zones measuring 450m x 60m have also been identified 800m to the east. The soil values associated with both of these mineralised zones range from 50ppb to 1.15ppm gold. Of the 137 composite rock chip samples collected, 74 returned values greater than 0.1ppm gold including 25 samples of greater than 1.0ppm gold.

NORTH GOODALL JOINT VENTURE PROJECT (Northern Territory)

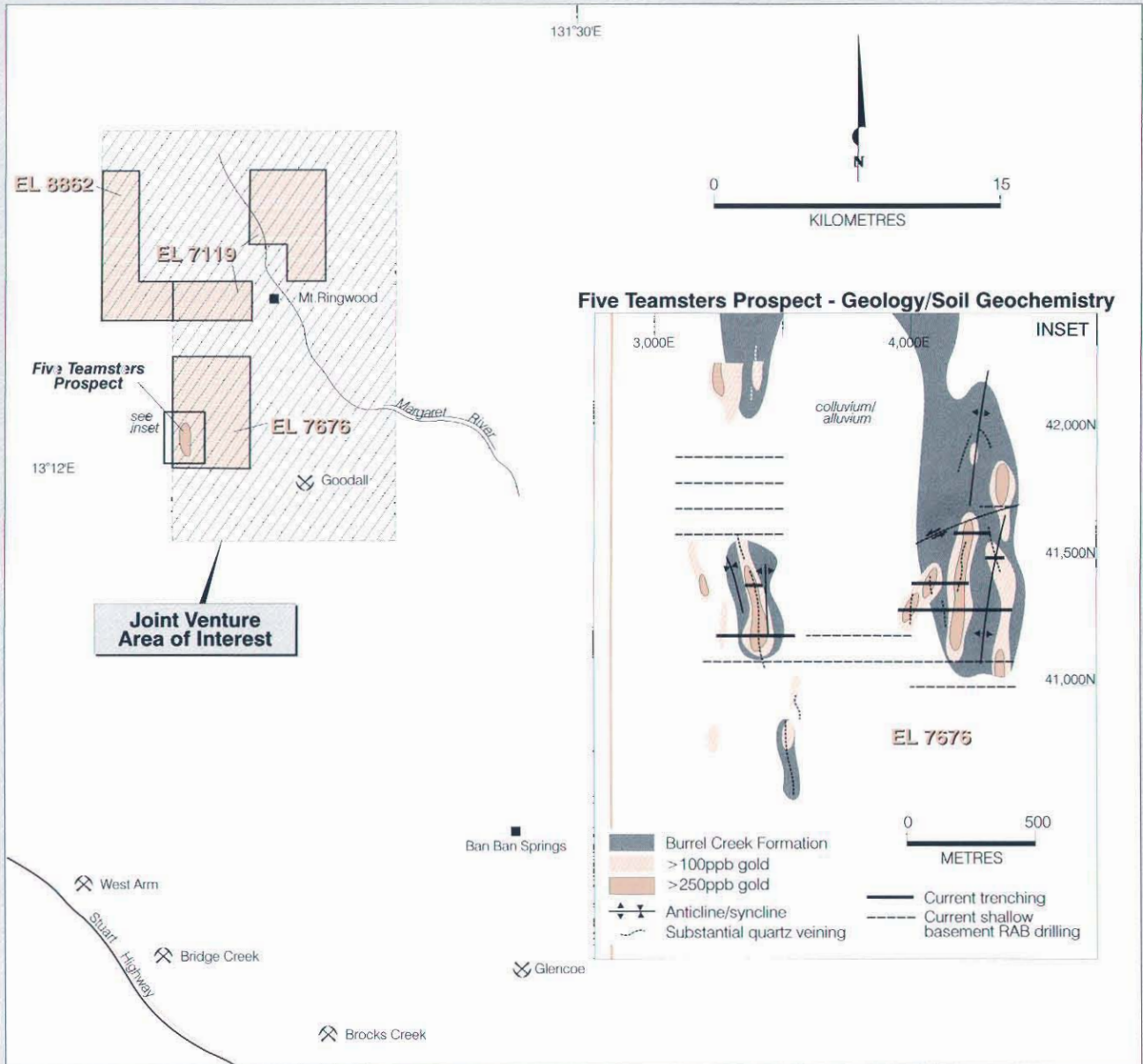


Figure 3.



CENTRAL PINE CREEK PROJECT (Northern Territory)

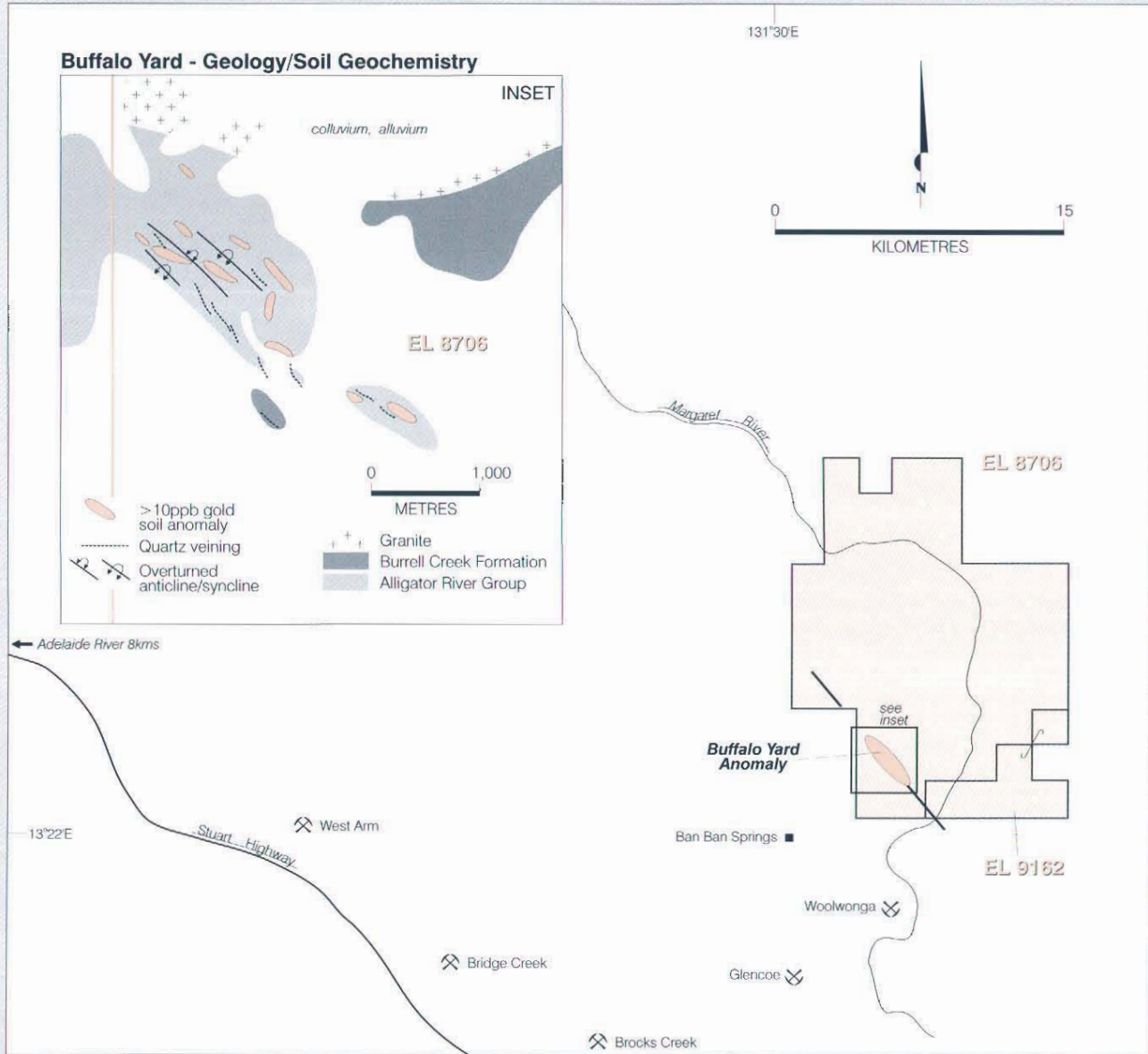


Figure 4.

## NORTHERN TERRITORY PROJECTS (Continued)

Currently investigations are concentrated on defining the near-surface continuity of the gold mineralisation associated with these anomalous zones. This is being done utilising both trenching and RAB drilling. RC drilling is planned to test depth extension as a follow-up to this phase of work.

Figure 3 shows the results and the work currently carried out on the Five Teamsters Prospect.

CENTRAL PINE CREEK PROJECT *Paladin 100%*

This project is located 130 kilometres south of Darwin within the Pine Creek gold mining district. Recent discoveries in the region strongly support the potential for larger tonnage orebodies in this region.

The project consists of seven granted exploration licences (318 square kilometres) and one exploration licence application of 30 square kilometres. Mapping, gridding, soil sampling and shallow bedrock RAB drilling programs to test alluvial covered areas have been carried out on four tenements in the latter part of 1994.

The initial work on EL 8706 has identified a five kilometre long northwest trending anomalous zone associated with quartz-sulphide stockwork veining in the south western portion of the tenement. Reconnaissance investigation focussed on areas of quartz vein/chert/siltstone outcrop to examine an eight kilometre long corridor. Of 35 samples taken within a five kilometre section of this zone, 17 returned greater than 0.05ppm gold peaking at 2.02ppm gold.

The anomalous zone identified is called the Buffalo Yard Anomaly. This is associated with an anticlinal (up-domed) structure exposing prospective units of the Alligator Group surrounded by Burrell Creek Formation. This zone occurs on a feature parallel to the prospective structural trend associated with nearby Woolwonga and Brocks Creek gold deposits.

A soil geochemical survey carried out at the commencement of the 1995 exploration field season returned a series of low order gold anomalies (ranging 10-50ppb gold), with the main anomalous trend measuring 50m x 800m. Figure 4 shows the distribution the

anomalous results achieved to date at Buffalo Yard.

Infill soil geochemical surveying and a RAB drilling program is planned to further define this prospective target.

LITCHFIELD PROJECT *Paladin 100%*

The project consists of Exploration Licence EL 8211 covering 90 kilometres. It is located 150 kilometres south of Darwin at the western edge of the Pine Creek geosyncline.

An initial work program involving soil and stream geochemistry carried out in conjunction with geological mapping and rock chip sampling has identified a gold soil anomaly associated with anomalous rock chip samples.

The infill soil sampling survey confirmed the presence of the geochemical anomaly. The greater than 50ppb gold contour line measures 350m x 100m and trends north north-east. The greater than 10ppb gold contour line (where background is 3ppb gold) measures 1000m x 150m. The anomalous zone is mostly scree covered being situated on the slope of a prominent ridge.

Prospecting and mapping within this anomalous zone has identified a mineralised structure occurring at the contact of schists and greywackes. Sampling of this structure returned a rock chip sample with a maximum of 15ppm gold in brecciated greywacke.

A deep RC drilling program is required to test the potential of this anomalous target and an Aboriginal site survey has been carried out to clear the area for follow-up drilling and trenching.

TENNANT CREEK PROJECT *Paladin 100%*

The Tennant Creek project area is located 25kms east of the Tennant Creek townsite (Figure 5). The project consists of five exploration licences totalling 43 square kilometres. Targets in the Tennant Creek projects are high grade / low tonnage orebodies.

The first-pass field exploration program was completed in November 1994. Three airborne magnetic targets were selected for investigation.



TENNANT CREEK, HATCHES CREEK AND DAVENPORT PROJECTS (Northern Territory)

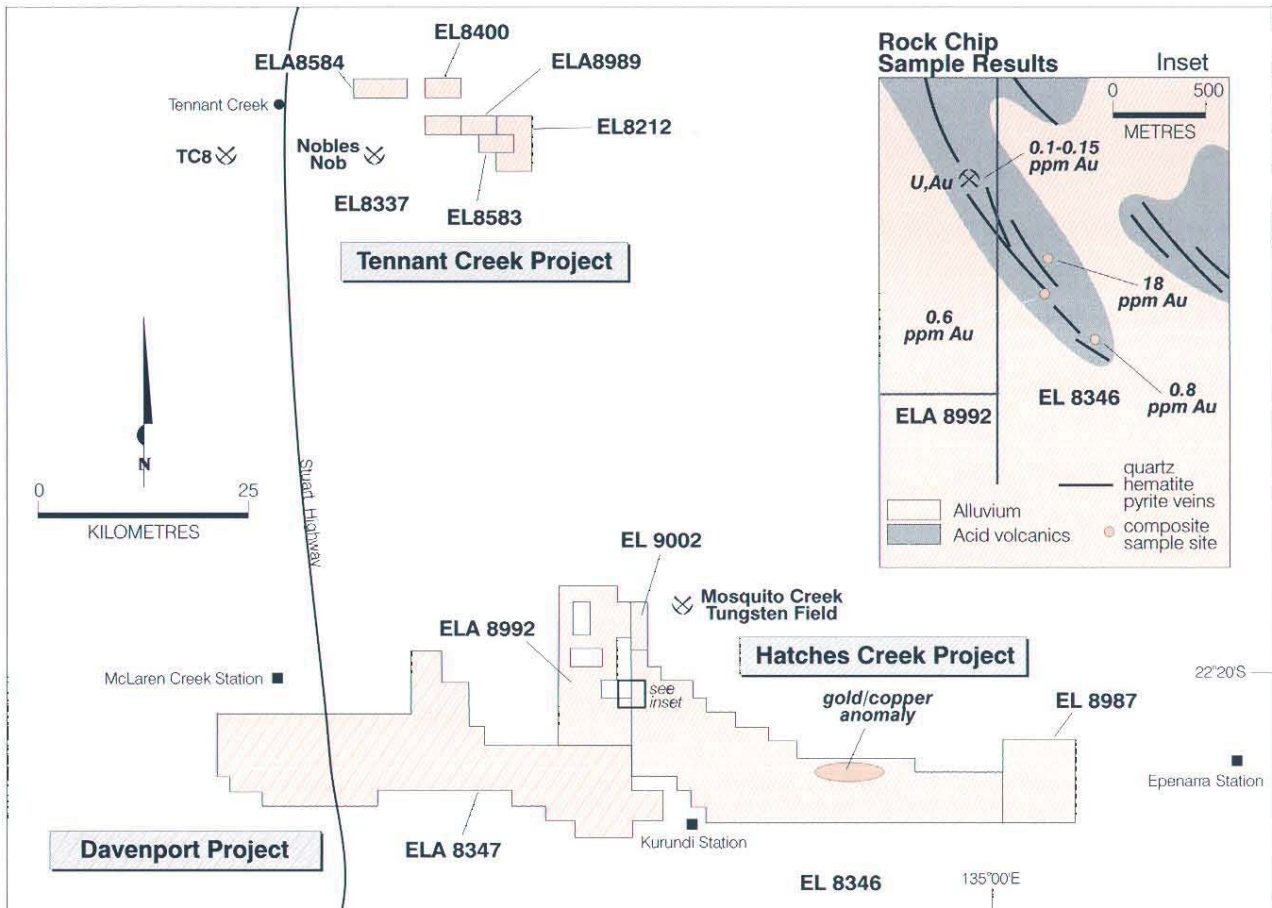


Figure 5.

Shallow bedrock drilling on EL 8212 returned anomalous copper (221ppm) and gold (7ppb or 3.5 x background) geochemistry in association with the magnetic anomaly. The Tennant Creek gold/copper orebodies are characteristically of high grade having small to medium tonnage potential occurring in close association with ironstones which are commonly magnetic. The delineation of a target showing coincidence of gold, copper and magnetic anomalism is a classic Tennant Creek style target and this is regarded as an encouraging result

The anomaly was followed up in March 1995 with a 57 hole air core infill program on 25m x 25m centres. The results did not identify a clear deep drilling target, however, the anomaly is still regarded as worthy of further investigation. This zone will be tested with deeper RAB drilling.

HATCHES CREEK PROJECT *Paladin 100%*

The Hatches Creek Project is located in the Davenport Geological Province 100 kilometres south-southeast of the Tennant Creek township. It consists of three exploration licences covering 450 square kilometres.

Initial mapping and sampling returned encouraging results confirming the gold and copper potential of this poorly explored region. Gold anomalism has been delineated in two areas. A zone of north-west/south-east trending iron alteration and quartz reefs near the western boundary of EL 8346 produced assays from composite samples in the range 0.1ppm to 0.8ppm gold. A maximum assay of 18.0ppm gold, 700ppm copper was obtained from a quartz altered zone. Minor follow-up sampling could not define the mineralisation source and further work is warranted.

**NORTHERN TERRITORY PROJECTS (Continued)**

In the central part of EL 8346 regional investigations identified east-west trending quartz veins in metasediments adjacent to highly altered granite. Sampling in this poorly outcropping area returned gold values ranging from 0.1ppm to 2.6ppm associated with copper and bismuth (Figure 5). This anomalous area is blanketed by soil cover and the full extent of the prospective zone remains unknown. A program of vacuum drilling and a ground magnetic survey is planned to investigate the largely soil covered area.

The Company considers the prospectivity of the area to be high. The results to date are regarded as confirmation of the conceptual geological model that has been applied justifying the continuation of exploration.

**BARROW CREEK** *Paladin 100%*

This project is located 10 kilometres east of Barrow Creek adjacent to the Stuart Highway.

Project generation activities have identified a regional geological setting in the Northern Arunta region which appears similar to the highly prospective Granites Tanami gold province. EL 8993 covering 523 square kilometres is located 10 kilometres east north east of Barrow Creek straddling a regional geophysical trend that warrants further investigation. Evaluation at reconnaissance scale involving regional geological and geophysical appraisal is planned to test potential of this regional target

**DAVENPORT PROJECT** *Paladin 100%*

This project is situated immediately due west of the Hatches Creek project and its tenement ELA 8347 occurs on Aboriginal owned land. An exploration access agreement is required to be negotiated with the Land Council in accordance with the Aboriginal Land Right (NT) Act for the tenement to be granted. A meeting was held and the Central Land Council advised the refusal to consent to the grant of ELA 8347. Paladin will retain its rights to the application area and can re-apply to the Land Council after a moratorium period of five years has expired.

**OTHER ACTIVITIES****PROJECT GENERATION**

Project generation using the Company's data base is ongoing with systematic evaluation of prospective gold/copper regions in both Western Australia and Northern Territory.

**CORPORATE****Share Acquisition in National Resources Exploration Ltd**

In May 1995, Paladin acquired 4.9% of the issued capital of National Resources Exploration Ltd via a placement of 3,400,000 ordinary fully paid shares at a price of 25¢ each and 3,400,000 free attaching 30 June 1997 listed options (exercisable at 25¢) for a total cost of \$850,000. Following year end, Paladin became a substantial shareholder with a holding of just over 5%.

The Directors of Paladin regard this acquisition as a sound investment consistent with the Company's corporate objectives.



The Directors present their report on the consolidated accounts for the year ended 30 June 1995.

## DIRECTORS

The Directors in office at the date of this report are:

**Dr Douglas Dunnet**

**(Chairman - Non-Executive)**

**B.Sc. (Hons) PhD. F.AusIMM**

Dr Dunnet is a geologist with 33 years experience. He has a strong background in financial management of mineral project initiation and development in Australia and North America, including 14 years with the Anaconda group of companies.

In 1984 Dr Dunnet became a principal of Aurex Pty Ltd, a contracting and consulting company. In 1987 he initiated the listing of and became Managing Director of Orion Resources NL.

**Mr John Borshoff**

**(Managing Director)**

**B.Sc. F.AusIMM**

Mr Borshoff is a geologist who has been involved in the Australian exploration and mining industry for 23 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.

In 1991 Mr Borshoff formed the consulting and contracting company, Scovac Management Services Pty Ltd, consulting to mineral resource groups throughout Australia. Mr Borshoff has extensive experience in gold, base metal and uranium exploration, company management and administration.

**Ms Gillian Swaby**

**(Director - Non-Executive/Company Secretary)**

**B.Bus., FCIS**

Ms Swaby has been involved in the Australian mining and exploration industry for 14 years. Ms Swaby is experienced in areas of secretarial practice, management accounting and corporate and financial management and is a Fellow of the Chartered Institute of Secretaries. She is the principal of Strategic Consultants Pty Ltd, specialising in corporate consultancy and secretarial services.

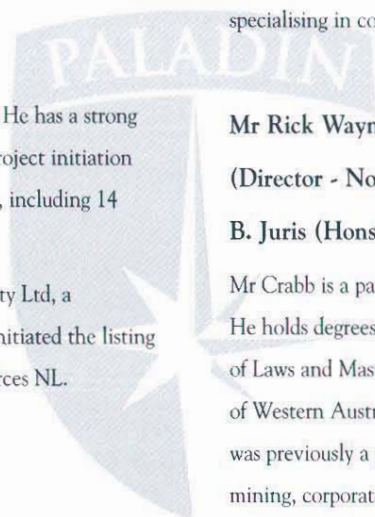
**Mr Rick Wayne Crabb**

**(Director - Non-Executive)**

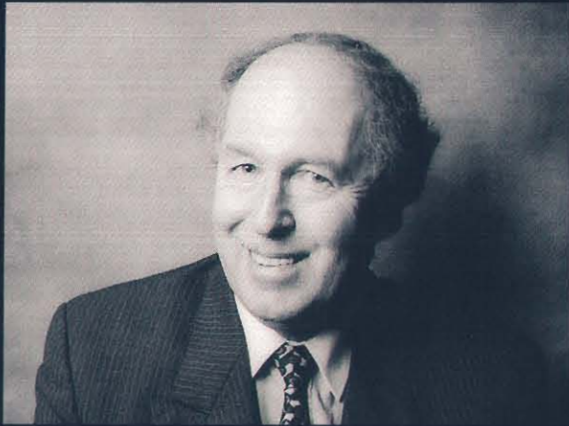
**B. Juris (Hons), LLB, MBA**

Mr Crabb is a partner with the legal practice, Blakiston and Crabb. He holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He has practised as a solicitor since 1980 and was previously a partner with a major law firm. He specialises in mining, corporate and commercial law. Mr Crabb is also a director of Gasgoyne Gold Mines NL, Lone Star Exploration NL, Mainland Limited, Midland Court Limited and an alternate director of Pilbara Mines NL.

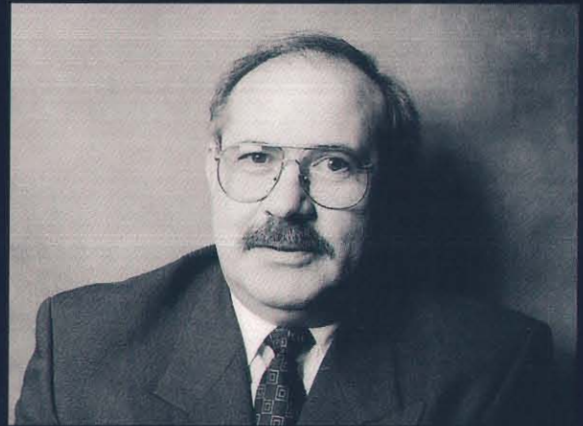
He is a director of the Australian Mining and Petroleum Law Association Limited.



Dr Douglas Dunnet



Mr John Borshoff



Mr Rick Wayne Crabb



Ms Gillian Swaby



**Principal Activity**

The principal activity of the economic entity constituted by Paladin Resources NL and the entity it controlled during the financial year was mineral exploration.

**Results of Operations**

The economic entity's policy is to write off acquisition and exploration costs associated with abandoned areas and to this extent an amount of \$264,833 (1994: \$Nil) was written off. Expenditure totalling \$2,059,101 (1994: \$1,296,398) has been carried forward on other areas where operations are continuing. The consolidated results are as follows:

	1995	1994
	\$	\$
Operating loss after income tax	563,290	428,561

**Dividends**

No dividend has been paid during the financial year and no dividend is recommended for the current year.

**Review of Operations**

A detailed review of the economic entity's operations is set out on pages 4 to 13 of this report.

**Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the economic entity that occurred during the financial year under review not otherwise disclosed in this report.

**Events Subsequent to Balance Date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity, the results of these operations or the state of affairs of the economic entity in subsequent financial years.

**Likely Developments**

Likely developments in the operations of the economic entity constituted by Paladin Resources NL and the entities it controls from time to time are the exploration and development of projects currently held and the investigation, acquisition, exploration and development of additional prospects, yet to be identified, which may be considered by the Directors to have merit.

**Options over Unissued Capital**

*Share Option Plan*

On 21 June 1994, shareholders approved the introduction of the Paladin Resources NL Directors, Employees and Consultants Share Option Plan ("the Share Option Plan"). The number of options issued from time to time pursuant to the Share Option Plan shall not exceed 10% of the total issued shares in the Company from time to time. On 8 September 1994 the Company issued 1,985,000 unlisted options exercisable at 25 cents on or before 31 May 1999, pursuant to the Share Option Plan to 10 participants. The number of unissued ordinary shares under these options at the date of this report is 1,985,000.

The Company is of a kind referred to in the class order issued by the Australian Securities Commission dated 8 March 1994, under which the directors are relieved from the need to disclose the names of all employees and relevant details in respect of options granted to those employees under the Paladin Resources NL Directors, Employees and Consultants Share Option Plan. The Directors have availed themselves of the relief granted under this class order.

No persons entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

**Directors' Interests**

	1995		1994	
	Fully Paid Shares	Options	Fully Paid Shares	Options
Dr D Dunnet	200,000	300,000	200,000	300,000
Mr J Borshoff	8,726,015	500,000	8,726,015	500,000
Ms G Swaby	154,000	300,000	154,000	300,000
Mr R W Crabb	100,000	300,000	100,000	300,000

The particulars of Directors' interests in shares and options are as at the date of this report. The options are unlisted and exercisable at 25 cents on or before 31 May 1999, pursuant to the Paladin Resources NL Directors, Employees and Consultants Share Option Plan.

**Directors' Benefits**

No Director of the Company has, during the financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts in Note 17), by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he is a member, or with a company in which he has a substantial interest, not otherwise disclosed in this report.

Consulting fees in the form of management fees and geological consulting fees were paid during the year in the normal course of business to firms of consultants, of which Directors are the principals. These are included within Directors' remuneration disclosed in Note 17 to the accounts. In addition, legal fees were paid to a legal practice in which a Director is a partner. These are disclosed in Note 20 to the accounts.

**Meetings of Directors**

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 1995 and the number of meetings attended by each Director.

	Meetings of Directors
Number of meetings held	8
Number of meetings attended by:	
Dr D Dunnet	8
Mr J Borshoff	8
Ms G Swaby	8
Mr R W Crabb	8

**Audit Committee**

As at the date of this report, Paladin Resources NL had an audit committee comprising Dr D Dunnet and Ms G Swaby. The Committee has held two meetings during the year at which both members were present.

**Indemnities and Insurance**

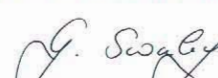
The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

DATED at Perth this 11th day of September 1995.

Signed in accordance with a resolution of Directors.

  
J Borshoff (Director)

  
G Swaby (Director)



# BALANCE SHEETS

as at 30 June 1995

	Notes	Consolidated		Parent Entity	
		1995	1994	1995	1994
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash	3	4,041,102	5,849,312	4,041,065	5,849,310
Receivables	4	14,323	6,356	14,323	6,356
Investments	5	850,000	-	850,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,905,425</b>	<b>5,855,668</b>	<b>4,905,388</b>	<b>5,855,666</b>
<b>NON CURRENT ASSETS</b>					
Receivables	6	-	-	1,065,077	452,314
Investments	7	-	-	1,700,002	1,700,002
Property, Plant & Equipment	8	1,042,069	1,114,247	234,033	282,149
Intangibles	9	56,952	360,720	56,952	360,720
Other	10	2,064,100	1,301,398	107,094	870
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,163,121</b>	<b>2,776,365</b>	<b>3,163,158</b>	<b>2,796,055</b>
<b>TOTAL ASSETS</b>		<b>8,068,546</b>	<b>8,632,033</b>	<b>8,068,546</b>	<b>8,651,721</b>
<b>CURRENT LIABILITIES</b>					
Creditors and Borrowings	11	60,394	60,591	60,394	60,591
<b>TOTAL CURRENT LIABILITIES</b>		<b>60,394</b>	<b>60,591</b>	<b>60,394</b>	<b>60,591</b>
<b>TOTAL LIABILITIES</b>		<b>60,394</b>	<b>60,591</b>	<b>60,394</b>	<b>60,591</b>
<b>NET ASSETS</b>		<b>8,008,152</b>	<b>8,571,442</b>	<b>8,008,152</b>	<b>8,591,130</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital	12	9,000,003	9,000,003	9,000,003	9,000,003
Accumulated Losses		(991,851)	(428,561)	(991,851)	(408,873)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>8,008,152</b>	<b>8,571,442</b>	<b>8,008,152</b>	<b>8,591,130</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	13				

The accompanying notes form part of these financial statements.



PROFIT AND LOSS ACCOUNTS

for the year ended 30 June 1995

	Notes	Consolidated		Parent Entity	
		1995	1994	1995	1994
		\$	\$	\$	\$
Operating loss before income tax	14	563,290	428,561	582,978	408,873
Income tax attributable to operating loss	15	-	-	-	-
Operating loss after income tax		563,290	428,561	582,978	408,873
Accumulated losses at the beginning of the financial year		428,561	-	408,873	-
Accumulated losses at the end of the financial year		991,851	428,561	991,851	408,873



The accompanying notes form part of these financial statements



## STATEMENTS OF CASH FLOWS

for the year ended 30 June 1995

	Notes	Consolidated		Parent Entity	
		1995	1994	1995	1994
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Payments to suppliers and employees		(251,929)	(216,757)	(251,929)	(216,757)
Interest paid		-	(1,213)	-	(1,213)
Interest received		324,261	88,146	324,261	88,146
<b>Net cash inflow / (outflow) from operating activities</b>	22	<b>72,332</b>	<b>(129,824)</b>	<b>72,332</b>	<b>(129,824)</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(15,000)	(296,525)	(15,000)	(296,525)
Exploration and evaluation expenditure		(1,021,542)	(411,811)	(100,232)	(870)
Purchase of Mines Department bonds		-	(5,000)	-	-
Payments for investments		(850,000)	-	(850,000)	-
<b>Net cash outflow from investing activities</b>		<b>(1,886,542)</b>	<b>(713,336)</b>	<b>(965,232)</b>	<b>(297,395)</b>
<b>Cash flows from financing activities</b>					
Proceeds from sale of property, plant and equipment		6,000	-	6,000	-
Proceeds from issue of shares		-	7,300,000	-	7,300,000
Loan of funds to related entities		-	-	(921,345)	(415,943)
Preliminary expenses paid		-	(607,528)	-	(607,528)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>6,000</b>	<b>6,692,472</b>	<b>(915,345)</b>	<b>6,276,529</b>
<b>Net (decrease) / increase in cash held</b>		<b>(1,808,210)</b>	<b>5,849,312</b>	<b>(1,808,245)</b>	<b>5,849,310</b>
Cash at the beginning of the financial year		5,849,312	-	5,849,310	-
Cash at the end of the financial year		4,041,102	5,849,312	4,041,065	5,849,310

For details of non-cash investing activities refer Note 7(b)

The accompanying notes form part of these financial statements.



## 1. STATEMENT OF ACCOUNTING POLICIES

### (A) BASIS OF ACCOUNTING

The accounts have been prepared in accordance with the relevant Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the disclosure requirements of Schedule 5 of the Corporations Regulations.

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

### (B) PRINCIPLES OF CONSOLIDATION

The consolidated accounts incorporate the assets, liabilities and results of all entities controlled by Paladin as at 30 June 1995. Paladin Resources NL and its controlled entities together are referred to in this financial report as the economic entity. The effects of inter-entity transactions have been eliminated from the consolidated accounts. Where controlled entities are acquired during the year, their results are included only from the date control commences.

On acquisition of some or all of the shares in a controlled entity, the identifiable net assets acquired are measured at their fair value. The excess of the fair value of the purchase consideration over the fair value of identifiable assets acquired (ie: goodwill) is amortised over a period of twenty years.

Where a discount on acquisition arises, that discount is accounted for by reducing proportionately the fair value of the non monetary assets acquired until the discount is eliminated. Any residual discount is immediately recognised in the profit and loss account.

### (C) DEPRECIATION

Depreciation is provided on all property, plant and equipment so as to write off the assets progressively over their useful economic lives and is calculated on the prime cost method.

### (D) EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Costs incurred during the exploration, evaluation and development stages of specific areas of interest are accumulated. Such costs are written off unless the Directors consider that the costs are expected to be fully recouped through the successful development of the area, or where activities to date have not reached a stage to allow reasonable assessment regarding existence of economically recoverable reserves. Costs are written off as soon as an area has been abandoned or is considered to be non-commercial.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

Each year the Directors will consider the recoverable value of the areas being carried forward and where they believe those values to be lower than the costs, the costs will be written down accordingly.

Once production commences, expenditure accumulated in respect of areas of interest will be amortised on a unit of production basis against the economically recoverable mineral resources.

Accumulated expenditure on areas which are abandoned or considered to be of no value are written off in the period in which the decision is made.

### (E) INVESTMENTS

The economic entity's interests in listed and unlisted controlled entities are brought to account at cost and dividend income is recognised in the profit and loss account when received. Where, in the opinion of the Directors, there has been a permanent diminution in the value of any individual investment, a provision for diminution in value is made.



1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(F) INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the profit and loss account is matched with the accounting profit (after allowing for permanent differences). The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to deferred income tax and future tax benefit accounts at current rates.

(G) EARNINGS PER SHARE

(i) Basic Earnings Per Share

Basic Earnings per share is determined by dividing the operating result after income tax attributable to members of Paladin Resources NL by the weighted average number of ordinary shares on issue during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options on issue during the financial year.

(H) CASH

For the purposes of the Statements of Cash Flows, cash includes deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(I) DATA BASES

(i) Project Generation Data Base

The project generation data base, which consists of unpublished and generally unavailable exploration, geological and other data, is recorded at cost. The Directors consider that there are presently no foreseeable limits to the useful life of this asset and accordingly periodic amortisation is not provided in the financial statements. The service potential of the project generation data base is periodically reviewed to ensure that its carrying amount does not exceed recoverable value.

(ii) Technical Data Base

The technical data base includes an extensive technical library and published exploration data. The Directors consider that this information diminishes in value over time and accordingly periodic amortisation charges are raised on a straight line basis over a period of 10 years.

(J) PRELIMINARY EXPENSES

Costs incurred on underwriting fees and other share issue and preliminary expenses are capitalised and amortised over a 2 year period.

(K) VALUATION OF NON-CURRENT ASSETS

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amounts at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. Unless otherwise stated, in assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.



	Consolidated		Parent Entity	
	1995	1994	1995	1994
	\$	\$	\$	\$
<b>2. OPERATING REVENUE</b>				
Other revenue - interest received from other corporations	340,869	88,146	340,869	88,146
<b>3. CASH</b>				
Cash at bank and on hand	69,853	859,238	69,816	859,236
Bank bills	3,971,249	4,990,074	3,971,249	4,990,074
	<u>4,041,102</u>	<u>5,849,312</u>	<u>4,041,065</u>	<u>5,849,310</u>
<b>4. CURRENT RECEIVABLES</b>				
Pre-payments	-	4,414	-	4,414
Sundry debtors	14,323	1,942	14,323	1,942
	<u>14,323</u>	<u>6,356</u>	<u>14,323</u>	<u>6,356</u>
<b>5. CURRENT INVESTMENTS</b>				
Listed investments - at cost	850,000	-	850,000	-
The market value of shares and options listed on a prescribed stock exchange	918,000	-	918,000	-
<b>6. NON CURRENT RECEIVABLES</b>				
Loan to controlled entity - unsecured	-	-	1,373,659	452,314
Less provision for non-recovery	-	-	(308,582)	-
	<u>-</u>	<u>-</u>	<u>1,065,077</u>	<u>452,314</u>
<b>7. NON CURRENT INVESTMENTS</b>				
Shares at cost - controlled entity	-	-	1,700,002	1,700,002

(a) Investment in Controlled Entity

NAME	COUNTRY OF INCORPORATION	PERCENTAGE INTEREST HELD		CONTRIBUTION TO CONSOLIDATED LOSS AFTER INCOME TAX		COST OF PARENT ENTITY'S INVESTMENT	
		1995	1994	1995	1994	1995	1994
		\$	\$	\$	\$	\$	\$
Paladin Resources NL	Australia	Parent Entity	Parent Entity	274,395	408,873	-	-
Eden Creek Pty Ltd	Australia	100%	100%	288,895	19,688	1,700,002	1,700,002
				<u>563,290</u>	<u>428,561</u>	<u>1,700,002</u>	<u>1,700,002</u>

All investments comprise ordinary shares and all shares held are unquoted.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 1995

7. NON CURRENT INVESTMENTS (Continued)

(b) Acquisition of Controlled Entity

In the previous year the parent entity acquired 100% of the issued capital of Eden Creek Pty Ltd, being two \$1 fully paid shares, for \$1,700,002 satisfied by the issue of 8,500,010 fully paid 20 cent shares. Details of the acquisition were as follows:

	Parent Entity 1995	Parent Entity 1994
	\$	\$
Consideration	-	1,700,002
Fair value of net assets of entity acquired:		
Mineral tenements	-	1,900,000
Technical library and published database	-	588,000
Project generation database and archived data	-	1,320,000
	-	3,808,000
Discount on acquisition	-	(2,107,998)
	-	1,700,002

8. PROPERTY, PLANT & EQUIPMENT

	Consolidated		Parent Entity	
	1995	1994	1995	1994
	\$	\$	\$	\$
Plant and equipment - at cost	304,081	296,525	304,081	296,525
Less provision for depreciation	70,048	14,376	70,048	14,376
	234,033	282,149	234,033	282,149
Technical database - at cost	262,500	262,500	-	-
Less amortisation	43,750	19,688	-	-
	218,750	242,812	-	-
Project generation database - at cost	589,286	589,286	-	-
	1,042,069	1,114,247	234,033	282,149

9. INTANGIBLES

Formation costs	607,528	607,528	607,528	607,528
Less amortisation	(550,576)	(246,808)	(550,576)	(246,808)
	56,952	360,720	56,952	360,720

10. OTHER NON CURRENT ASSETS

(a) Exploration Expenditure

Opening Balance	1,296,398	-	870	-
Movements:				
- Acquisition costs	-	848,216	-	-
- Direct expenditure for the year	1,027,535	448,182	106,224	870
Less expenditure written off	(264,833)	-	-	-
	2,059,100	1,296,398	107,094	870
(b) Mines Department Bonds	5,000	5,000	-	-
	2,064,100	1,301,398	107,094	870

11. CREDITORS & BORROWINGS

Trade creditors and accruals	60,394	60,591	60,394	60,591
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12. SHARE CAPITAL

	Parent Entity 1995	Parent Entity 1994
	\$	\$
(a) <b>Authorised Capital</b>		
500,000,000 ordinary shares of \$0.20	<u>100,000,000</u>	<u>100,000,000</u>

	Number of Shares	Par Value \$	Discount \$	Total \$
(b) <b>Issued Capital</b>				
Balance at 30 June 1995	<u>46,500,015</u>	<u>9,300,003</u>	<u>(300,000)</u>	<u>9,000,003</u>
There were no movements in issued capital during the year.				

Movements in issued capital during the year ended 30 June 1994:

	Number of Shares	Par Value \$	Discount \$	Total \$
Issued Capital				
Fully paid ordinary shares				
Subscriber shares - September 1993	5	1	-	1
Vendor Shares - to acquire Eden Creek Pty Ltd - October 1993	8,500,010	1,700,002	-	1,700,002
Seed Capital shares - November 1993	3,000,000	600,000	(300,000)	300,000
Public Issue - March 1994	<u>35,000,000</u>	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>
	<u>46,500,015</u>	<u>9,300,003</u>	<u>(300,000)</u>	<u>9,000,003</u>

(c) **Issued Options**

Unlisted and exercisable at 25 cents, on or before 31 May 1999, pursuant to the Paladin Resources NL Directors, Employees and Consultants Share Option Plan

	Number of Options 1995	1994
Balance at 1 July 1994	-	-
Issued during year	<u>1,985,000</u>	-
Balance at 30 June 1995	<u>1,985,000</u>	-

13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no outstanding commitments or contingent liabilities, which are not provided for in the financial statements of the economic entity and the Company as at 30 June 1995 other than:

- (a) **Exploration Tenement Leases** - in order to maintain the tenements in which the Company and other parties are involved, all parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation in Australia. These commitments relate to tenement lease rentals and the minimum expenditure requirements of the Western Australian and Northern Territory Mines Departments attaching to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made.

	Consolidated 1995 \$	Parent Entity 1995 \$
Not later than one year	447,884	190,480
Later than one year but not later than 2 years	410,774	185,460
Later than two years but no later than 5 years	867,500	525,000
Later than five years	61,120	61,120

The dynamic nature of tenement portfolio management is such that actual expenditures will vary significantly from these "commitments", depending upon the results of future exploration and farm-out opportunities



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 1995

13. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(b) **Joint Venture Commitments** - the Company and economic entity have the following cumulative commitments in respect of exploration joint ventures to which they are farming-in and are not provided for in the accounts.

	Consolidated 1995 \$	Parent Entity 1995 \$
Within one year-cumulative commitment	80,000	80,000

14. OPERATING LOSS

Operating loss has been determined after:

(a) **Charging as an expense:**

	1995 \$	Consolidated 1994 \$	1995 \$	Parent Entity 1994 \$
Interest paid - related parties	-	1,213	-	1,213
Depreciation of property, plant and equipment	57,922	14,376	57,922	14,376
Amortisation	-	-	-	-
- formation expenses	303,768	246,808	303,768	246,808
- technical database	24,063	19,688	-	-
Provision for non-recovery of intercompany loan	-	-	308,582	-
Exploration expenditure written off	264,833	-	-	-

(b) **Crediting as income:**

Interest received from other corporations	340,869	88,146	340,869	88,146
Profit on sale of property, plant and equipment	250	-	250	-

15. INCOME TAX

The aggregate amount of income tax attributable to the financial year differs by more than 15% from the amount calculated on the operating loss.

The differences are reconciled as follows:

Operating loss before income tax	(563,290)	(428,561)	(582,978)	(408,873)
Income tax (benefit) calculated at 33%	(185,886)	(141,425)	(192,383)	(134,928)
Tax effect of permanent differences:				
Non-deductible amortisation	105,975	85,879	95,890	79,382
Non-deductible expenditure	4,898	5,366	108,875	5,366
	(75,013)	(50,180)	12,382	(50,180)
Tax benefit not recognised/(claimed)	75,013	50,180	(12,382)	50,180
Income tax attributable to operating loss	-	-	-	-
The Directors estimate that the potential future income tax benefit at 30 June 1995 in respect of tax losses not brought to account is:	402,284	208,059	70,612	60,446

This benefit for tax losses will only be obtained if:

- (i) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the economic entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the economic entity in realising the benefit from the deductions for the losses.



	Consolidated		Parent Entity	
	1995	1994	1995	1994
	\$	\$	\$	\$
<b>16. AUDITOR'S REMUNERATION</b>				
Amounts received or due and receivable by the auditors for:				
(a) Auditing the financial statements and consolidated financial statements of Paladin Resources NL and the financial statements of each of the entities controlled by it:				
(i) Coopers & Lybrand	11,000	6,500	11,000	6,500
(b) Other services:				
(i) Coopers & Lybrand	3,700	22,050	3,700	22,050
	<u>14,700</u>	<u>28,550</u>	<u>14,700</u>	<u>28,550</u>

	Directors of Entities in the Economic Entity		Directors of Parent Entity	
	1995	1994	1995	1994
	\$	\$	\$	\$
<b>17. REMUNERATION OF DIRECTORS</b>				
Income received, or due and receivable, by Directors from entities in the economic entity and related bodies corporate.	<u>225,750</u>	<u>132,135</u>	<u>225,750</u>	<u>132,135</u>

Number of parent entity Directors whose income from the parent entity or related bodies corporate was within the following bands:

\$0 to \$9,999	-	3
\$10,000 to \$19,999	2	2
\$40,000 to \$49,999	1	-
\$90,000 to \$99,999	-	1
\$150,000 to \$159,999	<u>1</u>	<u>-</u>

Included in the above are consulting fees. Consulting fees in the form of management fees and geological fees were paid during the year in the normal course of business to firms of consultants, of which Directors are the principals.

**18. REMUNERATION OF EXECUTIVES**

One executive received \$150,000 during the year ended 30 June 1995.

**19. SEGMENT REPORTING**

The economic entity operates in the mining and exploration industry in Australia.



20. RELATED PARTIES

Related parties of Paladin Resources NL fall into the following categories:

**Directors**

(a) The following persons were Directors of Paladin Resources NL during the financial year:

- D Dunnet
- J Borshoff
- G Swaby
- R W Crabb

(b) Remuneration of Directors is disclosed in Note 17

(c) Share Transactions

Aggregate numbers of shares of Paladin Resources NL acquired by Directors or their director-related entities from the Company, were as follows:

	1995 Number	1994 Number	Director
Seed capital shares	-	100,005	J Borshoff
Vendor shares on acquisition of Eden Creek Pty Ltd	-	8,500,010	J Borshoff
Shares acquired on public listing	-	480,000	{ J Borshoff G Swaby D Dunnet

All shares were issued at par except for seed capital shares which were issued at a discount of 10 cents per share.

(d) Transactions with director-related entities

The following transactions with Directors and director-related entities occurred during the year on normal commercial terms and conditions:

- (i) Fees for geological and consulting services were paid to a company in which J. Borshoff is a director and shareholder;
- (ii) Fees for company secretarial services were paid to a company in which G Swaby is a director and shareholder; and
- (iii) Fees for legal services were paid to a firm in which R Crabb is a partner.

Aggregate amount of each of the above types of transactions with Directors and their director-related entities were as follows:

	<i>Consolidated</i>		<i>Parent Entity</i>	
	1995	1994	1995	1994
	\$	\$	\$	\$
Geological, management consulting and secretarial services	214,155	116,516	214,155	116,516
Legal services	12,660	74,000	12,660	74,000

(e) Directors' shareholdings - fully paid ordinary shares

	1995		1994	
	Number		Number	
D Dunnet	200,000		200,000	
J Borshoff	8,726,015		8,726,015	
G Swaby	154,000		154,000	
R Crabb	100,000		-	



20. RELATED PARTIES (Continued)

Wholly-owned Group Transactions

The wholly-owned group consists of Paladin Resources NL, the ultimate parent entity, and the wholly-owned controlled entity set out in Note 7(a). Transactions between Paladin Resources NL and its controlled entity consist of the transfer of funds amongst the companies for day to day financing. Inter-company balances are unsecured and are not interest bearing. The balance in respect of the inter-group loan is set out in Note 6.

21. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity in subsequent financial years.

	Consolidated		Parent Entity	
	1995	1994	1995	1994
	\$	\$	\$	\$
<b>22. RECONCILIATION OF NET CASH OUTFLOW FROM OPERATING ACTIVITIES TO OPERATING LOSS AFTER INCOME TAX</b>				
(a) Operating loss after income tax	563,290	428,561	582,978	408,873
Non cash items:				
Depreciation and amortisation	(385,753)	(280,872)	(361,690)	(261,184)
Exploration expenditure written off	(264,833)	-	-	-
Provision for non-recovery of intercompany loan	-	-	(308,582)	-
Change in operating assets and liabilities:				
(Decrease) / increase in trade debtors	7,967	6,356	7,967	6,356
Decrease / (increase) in operating liabilities	6,997	(24,221)	6,997	(24,221)
Net cash inflow from operating activities	<u>72,332</u>	<u>129,824</u>	<u>72,332</u>	<u>129,824</u>

(b) Non-cash financing and investment activities:

During the previous year, the Company issued 8,500,010 fully paid 20 cent shares to acquire 100% of the ordinary capital of Eden Creek Pty Ltd. Details of the acquisition are set out in Note 7(b).

(c) Unused credit facilities

The Company has no unused credit facilities as at 30 June 1995.

23. EARNINGS PER SHARE

	Consolidated	
	1995	1994
	(cents)	(cents)
(a) Basic Loss Per Share	<u>(1.21)</u>	<u>(1.93)</u>
Weighted average number of ordinary shares on issue during the year used in the calculation of basic earnings per share	<u>46,500,015</u>	<u>22,169,419</u>
(b) Diluted Earnings Per Share		
Diluted earnings per share has not been disclosed as it is not materially different from the basic earning per share.		



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 1995

### 24. EMPLOYEE ENTITLEMENTS

#### Provision for Annual Leave

	1995	1994
	\$	\$
Aggregate employment entitlement liability	16,081	5,403

#### Superannuation

A superannuation plan has been established by the parent entity for the provision of benefits to employees on retirement, death or disability. The plan's benefits have been designed to comply with the appropriate Occupational Superannuation Legislation requirements.

The plan is an accumulation style fund whereby a member's benefit equals the total contributions to the fund on behalf of the member plus investment income earned, less the cost of insurance, tax and administration costs charged. Because of the nature of the plan, there are adequate funds to satisfy all benefits to employees.

Contributions by the parent entity represent a defined percentage of each employee's salary. Employee contributions are voluntary.

There is no legally enforceable obligation on the parent entity to contribute to the superannuation plan other than that directly associated with the Occupational Superannuation Legislation requirements.

#### Employee Share Option Plan

On 21 June 1994, shareholders approved the introduction of the Paladin Resources NL Directors, Employees and Consultants Share Option Plan ("the Share Option Plan"). The number of options issued from time to time pursuant to the Share Option Plan shall not exceed 10% of the total issued shares in the Company from time to time. On 8 September 1994 the Company issued 1,985,000 unlisted options exercisable at 25 cents on or before 31 May 1999, pursuant to the Share Option Plan to 10 participants. The number of unissued ordinary shares under these options at the date of this report is 1,985,000.

The Company is of a kind referred to in the class order issued by the Australian Securities Commission dated 8 March 1994, under which the directors are relieved from the need to disclose the names of all employees and relevant details in respect of options granted to those employees under the Paladin Resources NL Directors, Employees and Consultants Share Option Plan. The Directors have availed themselves of the relief granted under this class order.

No persons entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

### 25. COMPARATIVE INFORMATION

As Paladin Resources NL was incorporated on 24 September 1993, the comparative figures for 1994 cover the period from that date to 30 June 1994.

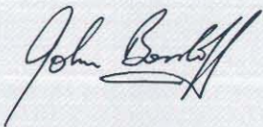


In the opinion of the Directors:

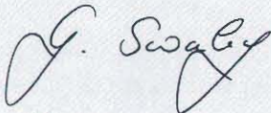
- (a) the financial statements set out on pages 18 to 30 are drawn up in accordance with Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law and so as to give a true and fair view of:
- (i) the state of affairs as at 30 June 1995 and the loss for the financial year ended on that date of the Company and the economic entity; and
  - (ii) the other matters with which they deal;
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The financial statements are drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

Signed at Perth this 11th day of September 1995 in accordance with a resolution of the Directors.



J Borshoff (Director)



G Swaby (Director)





TO THE MEMBERS OF PALADIN RESOURCES NL

**SCOPE**

We have audited the financial statements of Paladin Resources NL for the financial year ended 30 June 1995 as set out on pages 18 to 31. The financial statements include the consolidated accounts of the economic entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the economic entity's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**AUDIT OPINION**

In our opinion, the financial statements of Paladin Resources NL are properly drawn up:

- (a) so as to give a true and fair view of:
  - (i) the state of affairs as at 30 June 1995 and the result and cash flows for the financial year ended on that date of the Company and the economic entity; and
  - (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

*Coopers + Lybrand*

COOPERS & LYBRAND

Chartered Accountants

*John O'Connor*

John O'Connor

Partner

Perth, Western Australia

11th September 1995



Pursuant to the Listing Requirements of Australian Stock Exchange Limited as at 29 August 1995.

(a)	Distribution	Number of Shareholders
	1 - 1,000	-
	1,001 - 5,000	21
	5,001 - 10,000	177
	10,001 and over	477
		<u>675</u>

No shareholders hold less than a marketable parcel of shares.

(b)	Substantial shareholders (5% or more of issued capital)	
	Orion Resources NL	7,000,000 shares
	J Borshoff and associated companies	8,726,015 shares

(c)	The twenty largest shareholders hold 52.59% of the total shares issued.		
Holder	No. of Shares	Percentage %	
Aylworth Holdings Pty Ltd	8,600,015	18.49	
Orion Resources NL	7,000,000	15.05	
Roydon Nominees Pty Ltd	2,091,500	4.50	
Tilbia Nominees Pty Ltd	1,250,000	2.69	
National Nominees Limited	916,000	1.97	
Lotus Bird Sanctuary Pty Ltd	500,000	1.08	
Pegasus (SA) Pty Ltd	500,000	1.08	
Reward Nominees Pty Ltd	470,000	1.01	
Ryan Australia Pty Ltd	450,000	0.97	
Bourse Securities Pty Ltd	330,000	0.71	
Finchaven Pty Ltd	330,000	0.71	
Dokka One Pty Ltd	250,000	0.54	
Glorie Holdings Pty Ltd	250,000	0.54	
Stanley Exploration Services	250,000	0.54	
Jamalehar Pty Ltd	240,000	0.52	
Mr Guralnek	218,000	0.47	
Dimana Holdings Pty Ltd	200,000	0.43	
Mr Finn	200,000	0.43	
PW & LJ McKenzie	200,000	0.43	
Ninth Imperator Pty Ltd	200,000	0.43	
	<u>24,445,515</u>	<u>52.59</u>	

(d) Voting rights  
For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

(e) Shares held in escrow  
10,010,000 shares are held in an escrow facility pursuant to Australian Stock Exchange Limited requirements, to be released 29 March 1996.

(f) Mining Tenements held -

NORTHERN TERRITORY		WESTERN AUSTRALIA	
Project	Tenement	Project	Tenement
Litchfield	EL8211	Dunnsville	E16/95
Central Pine Creek	EL8216	Lake Roe	E16/96
	EL8333		E28/495
	EL8355		E28/504
	EL8706		E28/521
	EL(A) 8891		
	EL9057		
	EL9124		
	EL9162		
	EL7119		
	EL7676		
North Goodall	EL8862		
Tennant Creek	EL8212		
	EL8337		
	EL8400	E	Exploration Licence (WA)
	EL8583	EL	Exploration Licence (NT)
	EL8989	EL(A)	Exploration Licence Application (NT)
	EL(A)8347		
	EL8346		
	EL8987		
	EL9002		
	EL(A)8992		
Davenport	EL8993		
Hatches Creek			
Barrow Creek			

All tenements are 100% owned with the exception of North Goodall, where Paladin is earning a 51% interest. Paladin is manager of this project.





**Paladin Resources NL**

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