



PALADIN RESOURCES LTD



2000 ANNUAL REPORT

corporate directory

DIRECTORS

Chairman Dr Douglas Dunnet
Managing Director Mr John Borshoff
Director/Secretary Ms Gillian Swaby
Director Mr Rick Wayne Crabb

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AUDITORS

PricewaterhouseCoopers
The Quadrant, 1 William Street
Perth Western Australia 6000

SOLICITORS TO THE COMPANY

Blakiston & Crabb
1202 Hay Street West
Perth Western Australia 6005



PALADIN:- the name first applied to the twelve knightly champions of Charlemagne, King of the Franks 742 - 814 AD. Later used to describe any knightly or heroic champion of the palace.

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Dear Shareholder

In the latter part of 1999 the Board of Paladin decided to broaden its base and evaluate investments in select smart "new economy" technologies as well as advancing its uranium projects. I am extremely pleased with our diversification strategy. Three opportunities have been identified as suitable, industry leading high technology projects and Paladin has been successful in arranging attractive commercial deals with two of these opportunities. In both cases Paladin is supplying its corporate and public company experience and management skills, together with "seed capital" to jointly assist the companies to bring their assets into the public company arena.

In February we announced an agreement to acquire a 30% interest in ST Synergy, an innovative knowledge and information management software suite aimed at improving profitability and business efficiency of small to large corporations. Bill Gates in awarding ST Synergy the internationally proclaimed Microsoft award for innovative software development said that the organisation "has reached a level of excellence that sets you apart from the norm and is a tribute to the leadership position you have established".

In September we foreshadowed a major restructure with the proposed 50:50 merger of Paladin and Netcare Corporation Pty Ltd. The proposed acquisition and merger is a change of business to a specialised broadband telecommunications carrier. The restructure includes the distribution of shares in Paladin Energy Minerals NL (PEM) pro-rata to current Paladin shareholders, an associated capital restructure and Board changes which will be presented to shareholders for approval at the Annual General Meeting, together with a number of other matters to be considered at that time. It is anticipated that, should shareholders approve the various proposals, Paladin, in its new form of "Netcare Corporation Limited", will relist in February/March, 2001 following a fundraising of between \$10-15 million. Paladin Energy Minerals will continue to advance the uranium assets with a planned listing of that company within about 12 months.

Netcare Consulting Services (now part of the new Netcare Corporation Goup) has been active in consulting in the telecommunications industry in Western Australia for the last 5 years. Importantly, the Netcare Corporation Group now has a telecommunications carrier licence which has no restrictions on the type of delivery technology it can utilise. This Western Australian





telecommunications company has positioned itself to become an important player in the delivery of high capacity broadband services to metropolitan and regional areas. With its IT based business model, Netcare stands apart from the traditional telecommunications carriers able to provide fully integrated, strongly customer focussed telecommunication services.

Two major advances were made with the uranium assets during the year. A series of scoping studies on Kayelekera shows that modern metallurgical processing and Australian mining engineering know-how would result in a financially robust project. The project was presented to the Malawi Government at the Malawi International Mining Conference in August this year and we have appointed a financial adviser to facilitate concessional funding via a non-recourse loan of US\$3million to fund the revised bankable feasibility study. This should put Kayelekera on a firm path towards production.

Secondly, the Company acquired a database of African uranium occurrences and prospects from the work carried out by Uranerz in the 1970's and 1980's. This has yet to be assessed but is expected to be similar to and as valuable as the similar database used by Paladin to rapidly assemble its Australian uranium portfolio. It is also expected to be valuable in identifying copper-gold-uranium targets.

These advances support the continuing focus for Paladin Energy Minerals on Kayelekera and on specific new projects in Africa.

The Company has acquired 100% of the Frome Basin projects by purchasing the interests of our joint venture partner, Black Range Minerals NL.

With the various changes outlined above, I propose to step down from Chairman of Paladin after its conversion to Netcare Corporation in favour of a person with appropriate experience in the telecommunications and IT areas. I will continue to take an active role as Chairman of Paladin Energy Minerals.

I feel confident that the current Board of Paladin has created a structure which will give an immediate return to shareholders, see a rapid profitable growth in Netcare Corporation and will continue to advance the uranium assets to significant future wealth.



Dr D Dunnet

CHAIRMAN

Integration of Paladin and Netcare

The following is a summary of the sequence of steps to achieve our objective of merging Paladin and Netcare and to retain the independence and value in PEM for existing shareholders.

- Merger announcement to ASX with following components:
 - Paladin announces proposed acquisition of 100% of Netcare for a consideration such that the principals of Netcare will hold 50% of the capital of Paladin.
 - Suspension of trading on ASX of Paladin's shares for up to one trading day to comply with Listing Rules for "backdoor listing" of Netcare.
 - Paladin to raise \$1.3 million to fund Netcare's initial network rollout in the Perth metro area and immediately to the South.
- Paladin Annual General Meeting with shareholders asked to vote to approve the following issues:
 - Issue of Paladin shares to give Netcare principals 50% of Paladin.
 - Issue of PEM shares on the basis of Netcare principals holding 20% of PEM.
 - Consolidation of shares in Paladin.
 - Pro rata distribution of PEM shares to all Paladin shareholders.
- Paladin Extraordinary General Meeting with shareholders asked to vote to approve the following:
 - Change of business and name change of Paladin Resources Ltd.
 - Fundraising approval.
- Netcare Corporation expects to complete its initial network rollout by February 2001.
- Netcare (formerly Paladin) will proceed to re list in February 2001 with a raising of \$10-\$15 million to continue the network rollout.
- It is anticipated that PEM will maintain emphasis on Africa with the injection of South African and UK prelisting funds.

These steps should give significant added value to existing Paladin shareholders through Netcare and also retain most of the asset value in the PEM resource assets.



ST Synergy has been conceived and developed to fulfil a key role in the crucial area of information management by providing a 'one stop' integrated knowledge and information management system.

ST SYNERGY LIMITED

Earlier this year Paladin acquired a 30% interest in ST Synergy Ltd owner of a Knowledge and Information Management software system for a consideration of 4,000,000 fully paid shares, 2,000,000 unlisted options and a cash injection of \$750,000.

Under the terms of the agreement Mr J Borshoff and Ms G Swaby were appointed to the Board of ST Synergy.

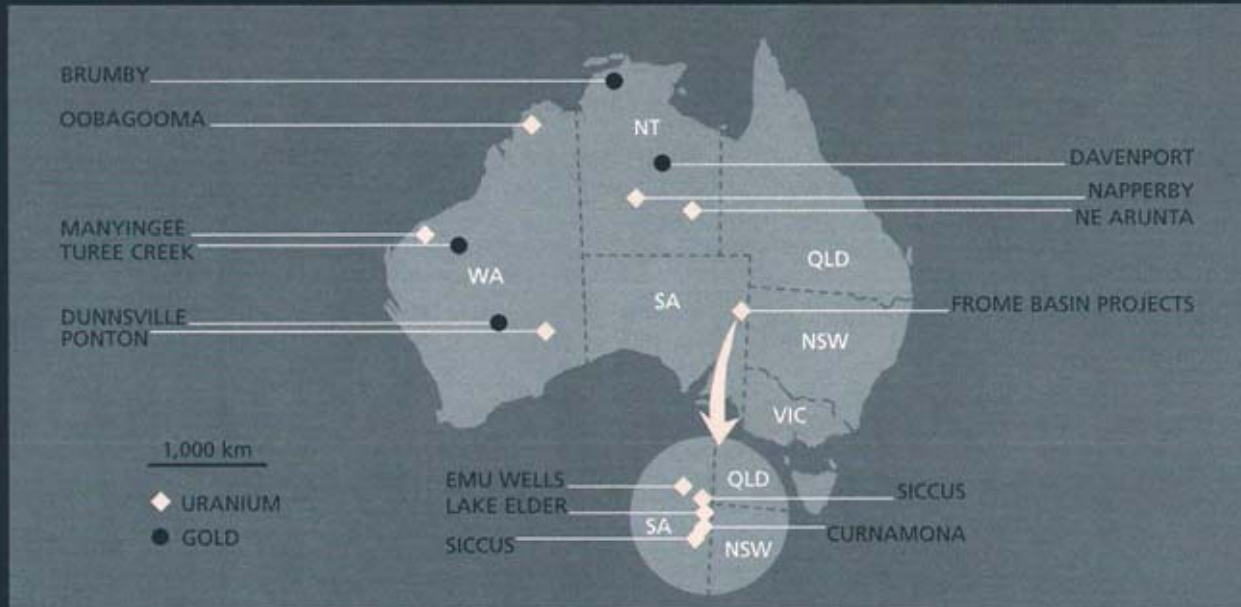
The far reaching and highly innovative Knowledge Management software package dramatically improves management efficiency of any business unit, large or small, and supports customer and business relationships in the emerging e-commerce market.

ST Synergy has achieved international recognition for innovative work winning first prize in the prestigious Microsoft sponsored 1997 Windows World Open. This international competition is designed to recognise innovative organisations which are using technology to enhance business value. Bill Gates in awarding the prize stated that through ST Synergy the organisation "has reached a level of excellence that sets you apart from the norm and is a tribute to the leadership position you have established".

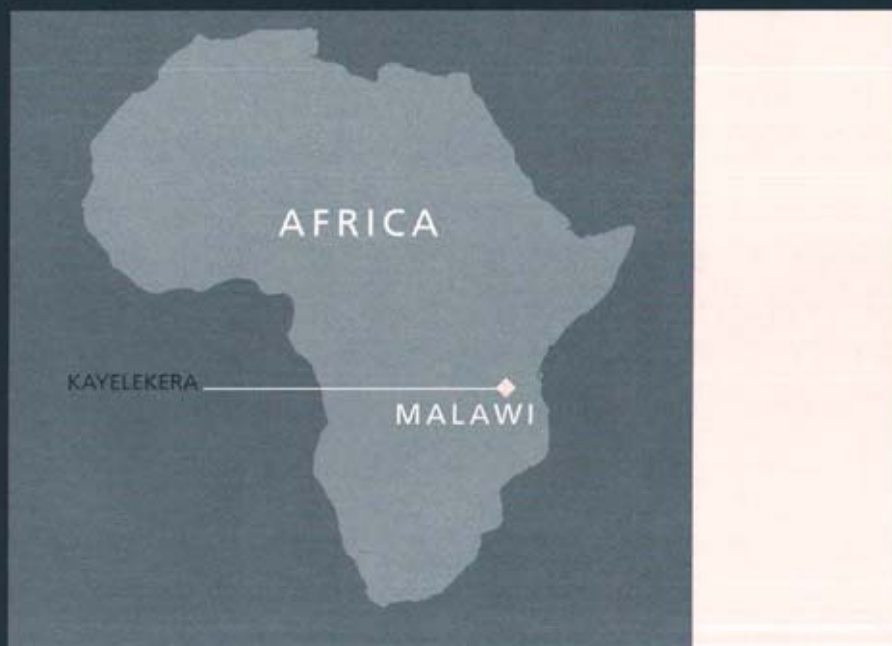
A comprehensive marketing strategy in keeping with the immediate potential applications of the ST Synergy product range has been established. Several key niche markets with potential for high sales volumes have been identified and evaluated. The marketing strategy will also target the development of key alliances with existing financial/accounting corporation which have both national and international exposure. Funds to be raised in the float will target penetration of these markets

ST Synergy is expected to be listed in the near term and Paladin shareholders will be invited to participate in the fund raising.

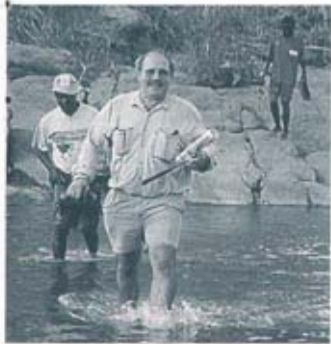
australia



africa



Efforts during the year focussed also on consolidating information and understanding on the Company's key African and Australian Uranium Deposits acquired during the previous years.



John Borshoff, Paladin Resources Managing Director and John Nkhomo, Regional Geologist, Geological Survey Dept (Malawi) cross the Sere River at Kayelekera.

KAYELEKERA PROJECT (Paladin 90%)

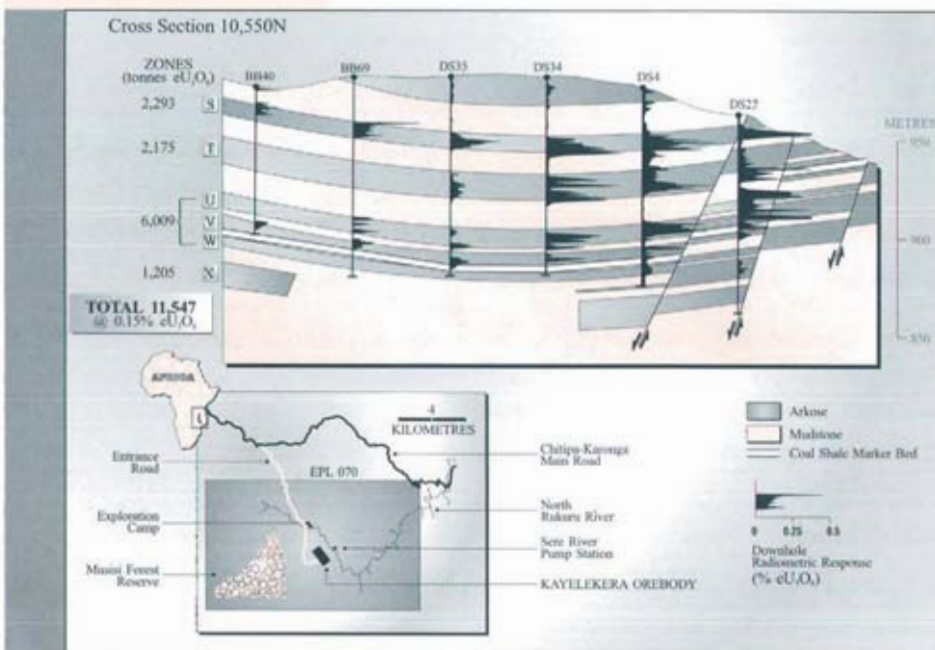
Malawi, Africa

The Kayelekera Deposit is located in Northern Malawi in Southern Africa. The project is located 8km south of the road connecting the townships of Chitipa and Karonga. It is accessible via dirt road from Karonga which is located 40 kilometres west of the project at the main north/south road of Malawi. The deposit is covered by the Exclusive Prospecting Licence (EPL) 070 covering 157km². The licence was granted to Balmain Resources Pty Ltd ("Balmain") on January 26 1998 for a period of 3 years.

Paladin reached agreement with Balmain to issue 2,850,000 fully paid shares at 6 cents per share in full satisfaction of Paladin's earn-in obligation, attaining its 80% interest in the project and acquiring a further 10% interest bringing Paladin's equity to 90%. Balmain retains a 10% free carried interest to bankable feasibility. In August 2000 a Malawi company Paladin (Africa) Limited was established as a wholly owned subsidiary of Paladin and the Kayelekera Project is currently being transferred into this corporate entity.

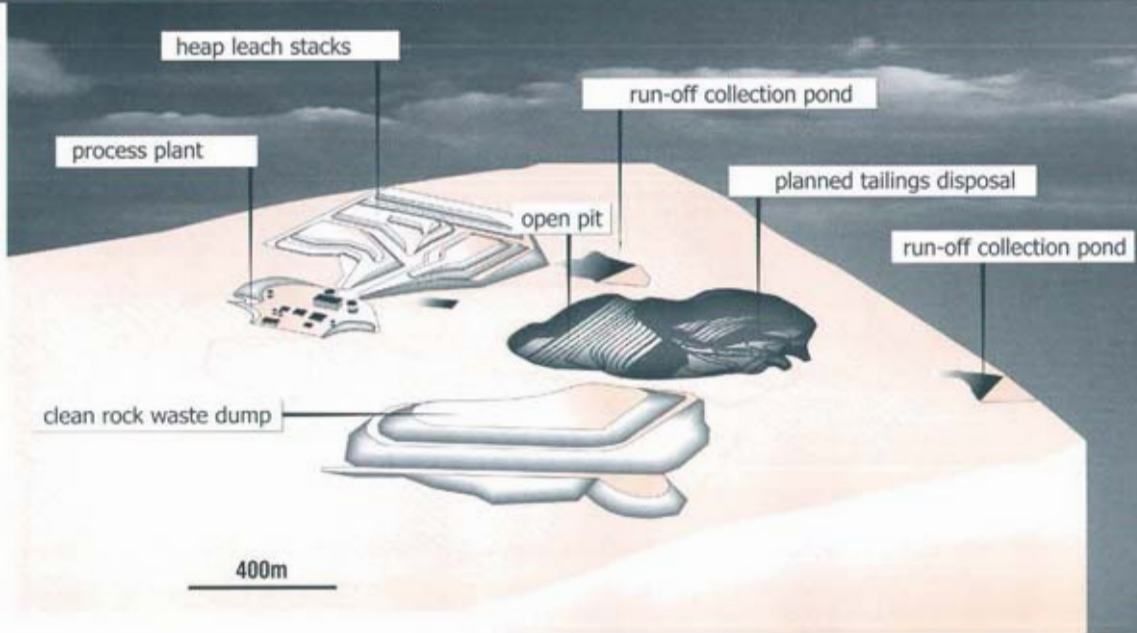
Previously the Kayelekera Deposit has been the subject of a thorough feasibility study conducted by Wright Engineering Ltd ("Wrights") for the Central Electricity Generating Board of the UK in 1990. The final feasibility study and all project documentation was located by Paladin and an agreement was reached in late 1999 for the Company to acquire the complete Kayelekera database for US\$10,000 and a 0.75% royalty escalating to 1.25% after capital payback is achieved.

Paladin's in-house resource study includes a preliminary non-optimised pit outline, which was used as a basis for an indicative in-pit resource estimate. The



ore outlines include 0.5m intervals of internal and/or external dilution. Lower cutoff was 0.04% U₃O₈ over 1 metre. No high cutoffs were applied. On this basis resources have been defined as follows:-

Total Resources:	10,750t at 0.155% U ₃ O ₈
Total In Pit Resources:	9,800t at 0.155% U ₃ O ₈



Positive Results from Review of Feasibility Work

Since the completion of the feasibility study by CEGB and Wright Engineering in 1991 important changes have occurred which are capable of providing positive impact on the potential viability of the project. These include:

- Improvements in the available infrastructure within Malawi.
- Revision of the project concepts by Australian consulting engineers, incorporating modern and more advanced uranium processing strategies.
- Proposed utilisation of modern Australian development concepts to reduce capital requirements.

The external process engineering evaluation has introduced a significant change in the development concept for the project and recommended the use of ore sorting on the high grade ore as a means of project optimisation. The potential benefits of this approach are reduced capital and operating costs. Importantly this change of mining concept can be implemented within the framework of the existing environmental, resource and other data that was incorporated and used for the 1991 feasibility work.

The overall result of the new scoping process engineering and financial study gives positive project economics. These findings now require assessment in a full updated feasibility study necessary to substantiate the key issues involved. The focus of this study will be detailed verification of the new mining/milling concepts planned to be adopted in the project and validation (or modification if required) of all other mine model parameters used in the existing final feasibility study.

The cost of the new feasibility study building on the merits of the existing work will be in the vicinity of US\$3 million and is expected to take 2 years to complete.



Paladin estimates that the Kayelekera Deposit can support a 10 year mine life producing 10,000t U₃O₈.

Substantial Potential Revenues

Although the uranium spot price is currently low, a sale price in the vicinity of US\$13-US\$15 per pound U₃O₈ is forecast for the period 2003 and beyond. This rise is expected through the anticipated improvement in uranium prices in the mid-term combined with the premium that can be received above spot prices for uranium sold under long term sales contracts.

Preliminary financial modelling using the revised mining concept shows that a base annual production of 1,000t U₃O₈ is required to make the project viable. Using this production rate, Paladin estimates that the Kayelekera Deposit can support a 10 year mine life producing approximately 10,000t U₃O₈ in total. This would result in export revenues of between US\$30 to US\$34 million per year to be generated by the Kayelekera Project. Capital costs for development of the project are estimated, at this stage, between US\$55 to US\$65 million.

A project manager has been commissioned and he has completed the revised mining concept document. This analysis integrates elements of the 1990 Feasibility Study conducted the scoping process engineering study and financial modelling and internal company reports to confirm and specifically define the areas of project optimisation and detail the recommendations for focus of the new feasibility study. Worley engineering in conjunction with Ausenco have prepared a detailed costing and work schedule for the bankable feasibility study. These documents form the main submission document for Carmichael First Capital who are mandated to secure a US\$3m Concessional Funding package. This funding will be used for completion of the new bankable feasibility study including drilling for metallurgical samples and testing of the new process route.



MANYINGEE DEPOSIT (Paladin 100%)

Western Australia

The Manyingee Project is located in the North West of Western Australia, 85 kilometres inland from the coastal township of Onslow. Access to the site is along station tracks, either from the Nanutarra Roadhouse on the North West Coastal Highway (39km) or from the Barradale-Onslow road to the west (22km). The Tubridgi Natural Gas Pipeline passes 500 metres east of the 3 Mining Leases covering the deposit.

Field work on the project included geological, soil mapping and surveying resulting in the production of a detailed photogrammetric map of the project and its environment using existing aerial photography. This work will assist in the feasibility work and environmental baseline studies for the project.

Paladin has reinterpreted the drill data and completed a new updated resource model. Instead of the former 3 rollfronts (Conglomerate, Nose and Knee) Paladin has divided the orebody into three distinct rollfront systems which are controlled by distinct geological environments.

Further evaluation has concentrated on three dimensional modelling of the individual rollfronts by wireframing methods. The attached figure shows the surface projections of the wireframes of the rollfront systems (A, B and C). Results from the wireframe analysis are:

Indicated Resources:	8,080t of U ₃ O ₈ at 0.1% U ₃ O ₈
Inferred Resources:	3,998t of U ₃ O ₈ at 0.06% U ₃ O ₈
Total:	12,078t of U₃O₈ at 0.08% U₃O₈

The technical consultants were appointed to review the previous metallurgical test results, the hydrogeological work and the environmental data. The consultants reported their findings during the year.

The project is now positioned to proceed to a revised feasibility study and resource infill drilling. Emphasis is being placed on Kayelekera prior to initiation of a major commitment on Manyingee.

PALADIN BRIGHTSTAR JOINT VENTURE

In June Black Range Minerals NL advised it had agreed to the sale of its 50% interest in the Paladin Brightstar Joint Venture (PBJV) and associated joint ventures for 1,000,000 fully paid shares at an issue price of 5 cents per share. These shares will be subject to an 18 month private escrow arrangement with an ongoing first right of refusal for five trading days for Paladin to place the shares should Black Range wish to sell. It is also subject to shareholder approval at the 2000 AGM. This purchase gives Paladin full ownership of the PBJV and its Australian uranium database.

The rationalisation is considered to be of mutual benefit to both parties. With Paladin now holding 100% of the project it is in a strong position to interest a third party in the Frome and other projects, whilst allowing Black Range to concentrate on its nickel operations.

Field work during the year concentrated on drill hole rehabilitation work which was completed on all holes drilled by the PBJV on previous exploration programs. These holes were associated with the Lake Elder and Curnamona Projects and the Bingelly Joint Venture.

Other areas in Paladin's tenements have been inadequately drilled and definite target zones are consequently difficult to determine. Conceptually however, the detailed isopach and isobath maps suggest new targets may exist where palaeochannels can be interpreted.

A drilling program totalling 500 to 550 holes is required to efficiently explore Paladin's tenement holdings in the Frome Basin. A joint venture partner will be sought to assist funding of these work programmes. Initial drilling will aim at better defining target zones and outlining areas with the potential for economic mineralisation within these zones.

Corporate Governance

The Board is responsible for the overall Corporate Governance of the Group ("the Group") including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has also established a framework for the management of the Group including setting levels of remuneration for Executive Directors, Managers and senior personnel, an overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews operational and financial performance and reviews and approves detailed budgets and investment opportunities. Being a small company at present, the Board works closely with executive management to identify and manage operational, financial and legislative risk. Whilst the Corporate Governance policies and procedures have been in place since the incorporation of the Company, they were formally adopted by the Board in May 1996.

Audit Committee

The Company is not of a size which justifies having a separate Audit Committee, however, matters typically dealt with by such a committee are dealt with by the full Board.

Composition of the Board

The composition of the Board is determined using the following principles:

- The Board should comprise four Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate materialises.
- The Chairman of the Board should be a Non-Executive Director.
- The Board should comprise Directors with a broad range of expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The Company does not have a formal Nomination Committee.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Group's expense. However, prior approval of the Chairman is required, which may not be unreasonably withheld.

Remuneration

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives. The Board obtains independent advice on the appropriateness of remuneration packages.

Ethical Standards

All Directors, managers and employees are to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

The Directors present their report on the consolidated accounts for the year ended 30 June 2000.

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 over 30 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. He was subsequently instrumental in acquiring a 45% interest in the Yilgarn Star Gold Mine near Southern Cross and guiding Orion to its market capitalisation of over \$130 million prior to the takeover by Sons of Gwalia NL. This included the successful transition from significant open pit mining to major underground mining operations producing in excess of 100,000ozs per annum.

Mr John Borshoff (Managing Director)

B.Sc. F.AusIMM, FAICD

Mr Borshoff is a geologist who has been involved in the Australian exploration and mining industry for 26 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. Uranerz primary focus was for the search and development of uranium projects with the company operating extensively throughout Australia, North America and Africa.

Mr Borshoff has extensive experience in uranium, gold and base metal exploration, company management and administration and represents Paladin as a Director of ST Synergy Ltd.

Ms Gillian Swaby (Director/Company Secretary)

B.Bus. FCIS, FAICD

Ms Swaby has been involved in the Australian mining and exploration industry for 19 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 also represents Paladin as a Director and Company Secretary of ST Synergy Ltd.

Mr Rick W. Crabb (Director - Non-Executive)

B. Juris (Hons), LLB, MBA

Mr Crabb is a partner with the legal practice, Blakiston and Crabb and a Director of the investment bank, Chatsworth Stirling Pty Ltd. 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 Menzies Court Holdings Limited and Ashburton Minerals NL.

Principal Activity

The principal activity of the economic entity constituted by Paladin Resources Ltd and the entities 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 or non-commercial areas and to this extent an amount of \$220,835 (1999: \$901,708) was written off. Expenditure totalling \$3,001,383 (1999: \$2,663,441) has been carried forward on other areas where operations are continuing. The consolidated results after abnormal items of \$Nil (1999: \$681,935) are as follows:

	2000	1999
	\$	\$
Operating loss after income tax	822,188	2,084,565

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 6 to 15 of this report.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the economic entity during the financial year not otherwise dealt with in this report.

Matters Subsequent to the End of the Financial Year

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 with the exception of those matters disclosed in Note 6 of the financial statements.

Environmental Regulations

The consolidated entity is subject to significant environmental regulation in respect to its exploration

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company reviewed the Company's projects during the year and are not aware of any breach of environmental legislation for the financial year under review.

Likely Developments

Likely developments in the operations of the economic entity constituted by Paladin Resources Ltd and the entities it controls from time to time are that its business will change from mineral resources to telecommunications/IT. Refer to Note 6 of the financial statements concerning the acquisition of Netcare Corporation Pty Ltd and the associated restructure of the Company's asset base.

Options over Unissued Capital

Share Option Plan

On 21 June 1994, shareholders approved the introduction of the Paladin Resources Ltd Directors, Employees and Consultants Share Option Plan ("the Plan"). The number of options issued from time to time pursuant to the Plan shall not exceed 10% of the total issued shares in the Company. 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 Plan to 10 participants with a further 120,000 issued on 30 June 1997 to 2 participants on the same terms and conditions. During the year ended 30 June 1999 these options expired. On 24 January 1997, 230,000 unlisted options exercisable at 20 cents on or before 31 July 2000 were issued to 6 participants, pursuant to the Plan. These have now expired and no further options can be issued pursuant to the Plan.

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.

	Number of Options	
	2000	1999
<i>Unlisted Options</i>		
(i) Exercisable at 20 cents, on or before 31 July 2000.		
Balance at 1 July 1999	-	4,500,000
Converted to listed options during year	-	(4,500,000)
Balance at date of this report	-	-
(ii) Exercisable at 35 cents, on or before 30 July 2000.		
Balance at 1 July 1999	1,500,000	1,500,000
Expired 30 July 2000	(1,500,000)	-
Balance at date of this report	-	1,500,000
(iii) Exercisable at 20 cents, on or before 31 May 2000.		
Balance at 1 July 1999	4,100,000	4,100,000
Exercised during year	(100,000)	-
Expired during year	(4,000,000)	-
Balance at date of this report	-	4,100,000
(iv) Exercisable at 25 cents, on or before 31 August 2000		
Balance at 1 July 1999	2,275,000	-
Issued during year	-	2,275,000
Expired subsequent to year end	(2,275,000)	-
Balance at date of this report	-	2,275,000
(v) Exercisable at 20 cents, on or before 31 March 2001		
Issued during year and on issue at date of this report	2,000,000	-

directors' report

Options over Unissued Capital (continued)

	Number of Options	
	2000	1999
<i>Listed Options</i>		
(vi) Exercisable at 20 cents, on or before 31 July 1999		
Balance at 1 July 1999	16,961,181	12,461,181
Less expired during year	(16,961,181)	-
Transferred from unlisted class	-	4,500,000
Balance at date of this report	-	16,961,181
(vii) Exercisable at 20 cents, on or before 31 October 2000		
Balance at 1 July 1999	18,936,638	-
Issued during year	250,000	18,686,638
Balance at date of this report	18,936,638	18,936,638
(viii) Exercisable at 15 cents, on or before 31 May 2003		
Issued August 2000 (Entitlement Issue)	11,561,083	-
Less exercised August 2000	(6,723)	-
Balance at date of this report	11,554,360	-

Directors' Interests

2000	Fully Paid Shares	Options**	Options***
D Dunnet	5,551,468	552,778	331,667
J Borshoff	11,931,587	750,000	500,000
G Swaby	1,595,515	187,500	132,959
R W Crabb	3,968,572	520,365	322,381
1999	Fully Paid Shares	Options**	Options***
D Dunnet	4,888,095	750,000	552,778
J Borshoff	10,731,587	950,000	750,000
G Swaby	1,175,596	700,000	187,500
R W Crabb	3,123,810	700,000	500,635

The particulars of Directors' interests in shares and options are as at the date of this report.

* Unlisted and exercisable at 20 cents on or before 31 May 2000.

** Listed and exercisable at 20 cents on or before 31 October 2000.

*** Listed and exercisable at 15 cents on or before 31 May 2003



Directors' and Executives' Emoluments

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced directors and senior executives.

Non-executive Directors of Paladin Resources Ltd

Name	Directors' Fees \$	Consulting Fees \$	Total \$
D Dunnet	15,000	13,320	28,320
R Crabb	15,000	-	15,000

Executive Directors of Paladin Resources Ltd

Name	Consulting Fees \$
J Borshoff	150,000
G Swaby	70,773

There are no other executives in the Company.

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2000 and the number of meetings attended by each Director.

Number of meetings held	13
Number of meetings attended by:	
D Dunnet	12
J Borshoff	13
G Swaby	13
R W Crabb	11

Insurance of Officers

During the financial year, the Company has paid premiums to insure each of the following persons against certain liabilities arising out of their conduct while acting in the capacity of officer of the company.

J. Borshoff
D. Dunnet
G. Swaby
R. Crabb

Under the terms of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

DATED at Perth this 29th day of September 2000

Signed in accordance with a resolution of Directors.

J Borshoff (Director)

profit & loss statement
for the year ended 30 June 2000

	note	2000 \$	consolidated 1999 \$
Operating loss before abnormal items and income tax		822,188	1,402,630
Abnormal items before income tax	3	-	681,935
Operating loss before income tax		822,188	2,084,565
Income tax attributable to operating loss		-	-
Operating loss after income tax		822,188	2,084,565
Accumulated losses at the beginning of the financial year		9,804,086	7,719,521
Accumulated losses at the end of the financial year		10,626,274	9,804,086
Earnings per share	5		

The accompanying notes form part of these concise financial statements.

discussion & analysis
of consolidated profit & loss statement
for the year ended 30 June 2000

Substantial effort took place during the year in relation to the Board's strategy of diversification into "new economy" activities, as a result of the current downturn in the resources sector. This effort resulted in the acquisition of a 30% interest in ST Synergy Ltd, the owner of a comprehensive Knowledge Management suite of software and, post balance date, an agreement to acquire 100% of Netcare Corporation Pty Ltd, a Western Australian telecommunications company.

Non-cash items accounted for 30% of the loss with the write-off of capitalised exploration expenditure totalling \$220,835 contributing as the major expense. The balance of non-cash items included depreciation, amortisation and a loss on the sale of the investment in Gullewa Ltd of \$53,067. In addition, as a result of equity accounting, Paladin's consolidated loss included a share of the operating loss of ST Synergy Ltd of \$85,632. Administration, corporate and labour expenses were in line with the previous year. Sundry income included \$48,000 from the sale of exploration certificates related to prior expenditure in the Northern Territory.



consolidated balance sheet

as at 30 June 2000

	2000 \$	consolidated 1999 \$
CURRENT ASSETS		
Cash	22,501	665,217
Receivables	27,287	50,842
Investments	109,335	-
	159,123	716,059
TOTAL CURRENT ASSETS		
NON CURRENT ASSETS		
Investments	-	325,000
Investments Accounted for Using the Equity Method	964,410	-
Property, Plant & Equipment	622,618	738,432
Other	3,006,383	2,668,441
	4,593,411	3,731,873
TOTAL NON CURRENT ASSETS		
	4,752,534	4,447,932
TOTAL ASSETS		
CURRENT LIABILITIES		
Accounts Payable	157,379	75,202
Borrowings	-	16,248
Provisions	31,013	41,353
	188,392	132,803
TOTAL CURRENT LIABILITIES		
	188,392	132,803
TOTAL LIABILITIES		
	4,564,142	4,315,129
NET ASSETS		
SHAREHOLDERS' EQUITY		
Share Capital	15,190,416	14,119,215
Accumulated Losses	(10,626,274)	(9,804,086)
	4,564,142	4,315,129
TOTAL SHAREHOLDERS' EQUITY		

The accompanying notes form part of these concise financial statements.

discussion & analysis of consolidated balance sheet as at 30 June 2000

Assets

The total asset position increased during the year by \$304,602. The Company's 30% investment in ST Synergy Ltd, the owner of a comprehensive Knowledge Management software suite, totalled \$1,050,042, which has been equity accounted and the Company's share of the loss of \$85,632 was taken up on consolidation. The sale of 3,890,000 shares in Gullewa Ltd reduced investments to \$109,335, the latter being re-classified as a current asset. Capitalised exploration expenditure increased by \$337,942, comprising direct expenditure of \$387,777, acquisition costs satisfied by the issue of shares in relation to the Kayelekera Uranium Project of \$171,000 and a write-off for the year of \$220,835.

Liabilities

Liabilities increased from the prior year reflecting the timing of supplier payments.

Equity

Share capital increased during the year with new share issues raising \$640,000. Costs of the raisings totalled \$39,796. In addition, the Company issued 2,850,000 fully paid shares as part acquisition of the Kayelekera Uranium Project in Malawi and 4,000,000 fully paid shares together with 2,000,000 unlisted options as part consideration for the acquisition of 30% of ST Synergy Ltd.

As at balance date, the issued capital of the Company comprised 115,610,888 fully paid shares.

discussion & analysis of consolidated statement of cash flows for the year ended 30 June 2000

Cash Flows from Operating Activities

The net cash outflow was substantially reduced from the prior year due to the costs incurred in the previous year on the USA promotional campaign of \$356,935. After taking into account this unusual expenditure, outflows were reduced by \$45,465 from the prior year. This was largely accounted for by the increase in creditors at year end.

Cash Flows from Investing Activities

Exploration and evaluation expenditure decreased due largely to the strategy of diversification into "new economy" assets. This strategy resulted in a cash outflow of \$750,000 as part consideration for the acquisition of the Company's interest in ST Synergy Ltd. In respect of the investment in Gullewa Ltd, \$141,695 was expended in paying up its holding of contributing shares whilst \$304,293 was received from the sale of 7,938,430 shares in that company. The sale of exploration certificates in relation to prior exploration expenditure in the Northern Territory resulted in the receipt of \$48,000.

Cash Flows from Financing Activities

Cash flows relate to the issue of fully paid shares resulting from two placements during the year. Costs associated with these fundraisings are reflected as an outflow.



consolidated statement of cash flows

for the year ended 30 June 2000

	2000 \$	consolidated 1999 \$
Cash flows from operating activities		
Payments to suppliers and employees	(393,699)	(782,362)
Interest received	15,452	27,073
Sundry income	104,285	78,927
	(273,962)	(676,362)
Net cash outflow from operating activities		
 Cash flows from investing activities		
Payments for property, plant and equipment	(20,771)	(14,993)
Sale of property plant and equipment	20,000	-
Exploration and evaluation expenditure	(412,495)	(844,319)
Sale of exploration certificates	48,000	-
Purchase of prospects	-	(672,553)
Payments for investments	(891,737)	-
Sale proceeds on investments	304,293	-
	(952,710)	(1,531,865)
Net cash outflow from investing activities		
 Cash flows from financing activities		
Share placement	640,000	1,995,431
Fundraising costs	(39,796)	(71,969)
	600,204	1,923,462
Net cash inflow from financing activities		
 Net decrease in cash held	(626,468)	(284,765)
Cash at the beginning of the financial year	648,969	933,734
	22,501	648,969
Cash at the end of the financial year		

The accompanying notes form part of these concise financial statements

notes to and forming part of the concise
consolidated financial statements
for the year ended 30 June 2000

This concise financial report relates to the consolidated entity consisting of Paladin Resources Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2000. The accounting policies adopted are consistent with those of the previous year.

1. **Changes in Accounting Policy**

There were no changes in accounting policies for the year ended 30 June.

2. **Segment Information**

During the year, the economic entity operated in the mining and exploration industry in Australia and the Knowledge Management software industry in Australia. Of total assets of \$4,752,534, \$964,410 relates to the software sector in relation to the investment in ST Synergy Limited. Of the consolidated operating loss before income tax of \$822,188, \$85,632 relates to the software sector.

3. **Abnormal Items**

Abnormal items in the 1999 financial year comprised the write down of the investment in Gullewa Gold Ltd of \$325,000 to recoverable amount and USA promotion costs of \$356,935. No tax benefits were recognised in relation to these losses.

4. **Dividends**

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

5. **Earnings Per Share Consolidated**

	2000 (cents)	consolidated 1999 (cents)
(a) Basic Loss Per Share	(.76)	(2.43)
Weighted average number of ordinary shares on issue during the year used in the calculation of basic earnings per share	107,092,260	85,784,428

(b) Diluted Earnings Per Share

Diluted earnings per share is the same as the basic earnings per share as potential ordinary shares are not dilutive.



for the year ended 30 June 2000

6. 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 with the exception of:

Entitlement Issue

On 4 July 2000 the Company lodged a Prospectus in relation to a 1:5 entitlement issue at 3.5 cents per share together with a free attaching option (exercisable at 15 cents on or before 31 May 2003) on a 1:2 basis to raise \$809,276 in additional working capital. The issue was underwritten by DJ Carmichael Pty Limited and a total of 23,122,143 and 11,561,083 options were allotted.

Exercise of Options

Subsequent to 30 June, a total of 6,723 31 May 2003 options were exercised at 15 cents each.

Acquisition – Netcare Corporation Pty Ltd

On 28 September 2000 the Company announced the acquisition of 100% of Netcare Corporation Pty Ltd, a Western Australian telecommunications company.

The Netcare acquisition is staged, as follows:-

- a) The initial investment of \$110,000 on 8 September 2000 to acquire a 2% interest on conversion of the convertible note;
- b) A further injection of \$750,000 working capital to complete the initial network rollout by January/February 2001 to acquire a further 13% interest. Paladin intends to raise \$1.3 million via a placement at 6 cents per share to fund those needs. \$800,000 of this placement will be subject to shareholder approval; and
- c) The balance of 85% will be acquired by the issue of shares in Paladin and PEM such that the principals of Netcare will hold 50% of the share capital of Paladin Resources Ltd and 20% of the share capital of Paladin Energy Minerals NL (currently a wholly owned subsidiary of Paladin) which holds all of the group's mineral resource assets.

A number of aspects of the transaction are subject to shareholder approval. The first set of approvals will be put to shareholders at the forthcoming Annual General Meeting proposed to be held prior to the end of November 2000. The second set of approvals will be put to shareholders at an Extraordinary General Meeting proposed to be held in late January 2001. Details of the approvals being sought at each meeting are set out below.

- Merger announcement to ASX with following components:
 - Paladin announces proposed acquisition of 100% of Netcare for a consideration such that the principals of Netcare will hold 50% of the capital of Paladin.
 - Suspension of trading on ASX for up to 1 trading day.
 - Paladin proposes to raise \$1.3 million via a placement at 6¢ per share to fund the initial network rollout in the Perth metro area and immediately to the South.
- Paladin Annual General Meeting (by end of November 2000) with shareholders asked to approve, amongst other things, the following issues:
 - Issue of Paladin shares to give Netcare principals 50% of Paladin.
 - Issue of PEM shares on the basis of Netcare principals holding 20% of PEM.
 - Consolidation of shares in Paladin on a 1:6 basis.
 - Pro-rata distribution of PEM shares to all Paladin shareholders.

notes to and forming part of the concise
consolidated financial statements
for the year ended 30 June 2000

6. Events Subsequent to Balance Date (continued)

- Paladin Extraordinary General Meeting (by end of January 2001) with shareholders asked to approve the following issues:
 - Change of business and name change of Paladin Resources Ltd .
 - Fundraising approval for up to \$15 million.
- Netcare Corporation will complete its initial network rollout by January 2001.
- Netcare (formerly Paladin) anticipates satisfying ASX Listing Rules Chapter 1 and 2 by February 2001 with a raising of \$10-\$15 million to continue the infrastructure rollout. The issue price for that fundraising will be announced once ascertained by Paladin.

Should the shareholders approve the merger, PEM will continue as a separate entity to advance the uranium assets with a planned listing of that company in a jurisdiction (which is yet to be determined) within about 12 months. It is anticipated that PEM will maintain emphasis on Africa with the injection of South African and UK prelisting funds.

7. Sales Revenue

There was no sales revenue during the year (1999: nil)

8. Full Financial Report

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the company. A copy may be requested by calling (08) 9381 4366.

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2000 as set out on pages 22 to 28 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2000.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which as indicated in note 8, is available on request.

This declaration is made in accordance with a resolution of the directors.

John Borshoff
Director

Perth
29 September 2000

additional information

(c) The twenty largest optionholders (31.10.2000) hold 57.67% of the total options issued.

holder	no. of options	%
Overnight Nominees Pty Ltd	2,500,000	13.20
Allan Harrison	1,022,930	5.40
Mr B. & A. Lee	1,009,470	5.33
Aylworth Holdings Pty Ltd	750,000	3.96
Mr Gregory James Buchanan & Mrs Heather Joy Buchanan	600,000	3.17
Shar Holdings Pty Ltd	524,778	2.77
Mr Gerald Peter Burns	520,000	2.75
Mr R.W. & C.J. Crabb	500,635	2.64
Zandoc Holdings Pty Ltd	463,600	2.45
Serlett Pty Ltd	401,057	2.12
Astrum Investments Pty Ltd	355,000	1.87
Grundy Nominees Pty Ltd	340,000	1.80
Mr Nadi Mickaill	310,000	1.64
Aurex Pty Ltd	261,904	1.38
Calm Holdings Pty Ltd	250,000	1.32
Mr Malcolm Waters	250,000	1.32
Scomac Pty Ltd	240,000	1.27
Volova Pty Ltd	220,000	1.16
Mr John Borshoff	200,000	1.06
Mr Nick Karopoulos	200,000	1.06
	10,919,374	57.67

(d) The twenty largest optionholders (31.05.2003) hold 52.91% of the total options issued.

holder	no. of options	%
Mr B. & A. Lee	566,403	4.90
Mr C R Rogerson	566,403	4.90
Sunshore Holdings Pty Ltd	566,403	4.90
Serlett Pty Ltd	509,762	4.41
Fogbell Nominees Pty Ltd	509,561	4.41
Aylworth Holdings Pty Ltd	500,000	4.32
Shar Holdings Pty Ltd	314,867	2.72
Mr R.W. & C.J. Crabb	300,381	2.60
Grundy Nominees Pty Ltd	232,681	2.01
Mr W Cairns	226,561	1.96
Kreskin Pty Ltd	226,561	1.96
Mr Owen Leslie Mitchell	226,561	1.96
Overnight Nominees Pty Ltd	226,561	1.96
Paticoa Nominees Pty Ltd	226,561	1.96
Mrs Linda Louise Steinepreis	226,561	1.96
Planmoor Investments Pty Ltd	166,667	1.44
Mr M and T Kingsley	141,600	1.22
Mrs Sonya Tucker	141,600	1.22
Berne No 132 Nominees Pty Ltd	125,050	1.08
Strategic Consultants Pty Ltd	117,560	1.02
	6,118,304	52.91

(e) 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.

(f) Mining Tenements held –

URANIUM PROJECTS

WESTERN AUSTRALIA

project	tenement	interest	joint partner/s	operator
MANYINGEE	3M's	100%	-	-
OOBAGOOMA	4E(A)'s	100%	-	-
PONTON	5E's	100%	-	-
	1E(A)	100%	-	-

SOUTH AUSTRALIA

project	tenement	interest	joint partner/s	operator
LAKE ELDER	2EL's	100%	-	-
CURNAMONA PROJECT	4EL's	100%	-	-
SICCUS JOINT VENTURE	2EL's	90%	Signature Resources NL	Paladin Resources Ltd
BINGELLY JOINT VENTURE	1EL	80%	Vivanet Ltd	Paladin Resources Ltd
EMU WELL JOINT VENTURE	1EL	90%	J.E. Risinger*	Paladin Resources Ltd

NORTHERN TERRITORY

project	tenement	interest	joint partner/s	operator
NAPPERBY	2EL(A)'s	100%	-	-
N E ARUNTA	1EL(A)	100%	-	-

MALAWI - AFRICA

project	tenement	interest	joint partner/s	operator
KAYELEKERA	1 EPL	90%	Balmain Resources Pty Ltd	Paladin Resources Ltd

NON-URANIUM PROJECTS

project	tenement	interest	joint partner/s	operator
DUNNSVILLE J/V	1E	30%	Ida Gold Pty Ltd	Delta Gold NL
ASHBURTON BASIN	4E(A)'s	100%	-	-

NORTHERN TERRITORY

project	tenement	interest	joint partner/s	operator
BRUMBY JOINT VENTURE	1EL	20%	AngloGold Australasia Limited	AngloGold Australasia Limited
DAVENPORT	2EL(A)'s	30%	Normandy Tennant Creek Pty Ltd	Normandy Tennant Creek Pty Ltd

E Exploration Licence (WA)
 E(A) Exploration Licence Application (WA)
 M Mining Lease (WA)

EL Exploration Licence (SA and NT)
 EL(A) Exploration Licence Application (SA and NT)
 EPL Exclusive Prospecting Licence (Malawi)

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