



PALADIN RESOURCES LTD

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

Dear Sir/Madam

LANGER HEINRICH URANIUM PROJECT, NAMIBIA Mining Licence Approval Granted

Paladin is pleased to advise that the Minister of Mines has approved the granting of a 25 year Mining Licence to Langer Heinrich Uranium (Pty) Ltd, wholly owned by Paladin Resources Ltd, allowing full scale development of the Langer Heinrich mining operation to proceed. This is a milestone achievement for the Company and Paladin would like to acknowledge the highly professional and timely manner in which both the Commissioner of Mines and the relevant Departments of the Namibian Government have dealt with the progress of the Project.

As previously announced, the planned Langer Heinrich uranium mine will produce 2.6Mlb of U₃O₈ by processing 1.5Mt of calcrete ore per year over a 15 year period based on the current Bankable Feasibility Study mining model. With the Langer Heinrich mine in production, Namibia will maintain its position as an important producer of uranium on the world scene.

During the Mining Licence approval process a significant amount of preparatory work for the Stage I development work has been carried out and the overall project schedule has been maintained. Negotiations with construction engineers are well advanced and negotiations have also commenced for the construction of the 80km water pipeline and electrical power line to the site. Long lead time equipment items have been identified and orders have been placed. The planned Stage I development will now proceed seamlessly to engineering and design to enable the construction to begin during early 4th quarter 2005. Commissioning activities are expected to commence September 2006.

Key development personnel to supplement the Company's onsite Project team have been identified and office facilities have been established in Swakopmund.

The development of the Langer Heinrich uranium mine marks a significant event not only for Paladin but also for the uranium supply industry in general. Langer Heinrich represents the first new, conventional uranium mining and treatment operation to be given the go ahead in more than 2 decades and, moreover, Paladin will be the first new supplier to enter the uranium industry since 1983.

With Langer Heinrich now moving into the construction phase and the Kayelekera Uranium Project in Malawi undergoing its Bankable Feasibility Study, Paladin is clearly differentiating itself from its competitors. The Directors believe it will be the only new player in the world that will be able to establish new uranium production within the next 3 to 5 years totally endorsing the strategy the Company embarked upon 9 years ago to accumulate quality uranium projects through the period of extended downturn in the uranium market.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director