PALADIN RESOURCES LTD
A.C.N. 061 681 098

245 CHURCHILL AVE, SUBIACO WESTERN AUSTRALIA 6008
PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

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

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To:	The Company Announcements Officer	**From:**	John Borshoff
Co.:	Australian Stock Exchange Limited	**Pages:**	3
Date:	5 August 2003		

- **An Alternate Method of Valuing Paladin's Uranium Assets**

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The Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

AN ALTERNATE METHOD OF VALUING PALADIN'S URANIUM ASSETS

Following a query at the conclusion of the shareholders meeting held 4 August 2003 about the value of Paladin's uranium assets in gold equivalent terms and numerous similar enquiries from shareholders and potential investors previously, the Directors have decided to advise the following.

GENERAL

Paladin's stated objective is to bring its 100% owned Langer Heinrich Uranium project in Namibia to fruition.

These are difficult times in the equity markets and Paladin is assessing its options with regard to the development of Langer Heinrich to maximise returns to its shareholders.

It is evident that a certain re-rating of Paladin is taking place given its recent steadily increasing share price.

Paladin's Board is of the opinion that this apparent re-rating is due to astute investors that are assessing the underlying value of the company's uranium assets in a different light.

Uranium is an internationally traded commodity with weekly spot prices available. Only 10% of the Uranium is traded at spot with the remainder sold on long term supply contracts negotiated at substantially higher prices.

In this exposé the Board wishes to highlight the in-ground value of Paladin's uranium assets by converting them to ounces of gold equivalent.

In the following analysis, the present spot price of US$11/lb of uranium oxide is used. Also used for illustration purposes is a long term contract price set at US$14/lb. In both cases a gold price of US$350/oz is used.

LANGER HEINRICH (Namibia – Southern Africa)

This deposit contains an estimated mineable resource of 11,000t of uranium oxide, which equates to either 760,000oz gold equivalent at spot, or 968,000oz at the estimated contract price.

The gold equivalent for the two different product prices at the planned production level of 1,000t of uranium oxide per year is either 70,000oz/yr, or 88,000oz/yr.

The gold equivalent for the estimated global resource of 29,900t of uranium oxide for the two different product prices are 2.1Moz, or 2.6Moz respectively.

Paladin's Pre-feasibility study gave an estimated total cost of production of uranium oxide of US$6.54/lb which would place the operation in the lower cost quartile. For the projected sale contract price of US$14/lb for the uranium oxide, this in gold equivalent terms equates to US$163/oz production costs.

OTHER PALADIN URANIUM PROJECTS

Kayelekera (Malawi – Southern Africa). This deposit contains an estimated mineable resource of 11,500t of uranium oxide that equates to either 795,000oz gold equivalent at spot, or 1,012,000oz at the estimated contract price.

Manyingee (Western Australia). This deposit contains an estimated mineable resource of 7,860t of uranium oxide that equates to either 543,000oz gold equivalent at spot, or 691,000oz at the estimated contract price.

COMBINED ESTIMATED MINEABLE RESOURCES

Combining the contained estimated uranium mineable resources of these three deposits and converting these to the gold equivalent translates to either 2.1Moz at spot, or 2.7Moz at the estimated contract price as summarised below.

TABULATED VALUES

Project **Parameter**	**Langer Heinrich**	**Kayelekera**	**Manyingee**	**TOTALS**
Mineable Resource	11,000t U_3O_8	11,500t U_3O_8	7,860t U_3O_8	**30,360t U_3O_8**
Gold equivalent at US$350/oz				
U_3O_8 at US$11/lb (spot)	760,000oz	795,000oz	543,000oz	**2.1Moz Gold**
U_3O_8 at US$14/lb (minimum contract)	968,000oz	1,012,000oz	691,000oz	**2.7Moz Gold**

Yours faithfully
Paladin Resources Ltd

John Borshoff

JOHN BORSHOFF
Managing Director