



PALADIN RESOURCES LTD

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To: The Company Announcements Officer **From:** John Borshoff

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➤ **Langer Heinrich Project - GRD Minproc Appointed Project Engineer**



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22 April 2004

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

Dear Sir/Madam

LANGER HEINRICH PROJECT GRD Minproc Appointed Project Engineer

Paladin has previously announced the anticipated formal appointment of Fluor Daniel as the Project Engineer for its Langer Heinrich Uranium Project.

Unfortunately, Fluor Daniel was unable to provide the appropriate team for this project within the timeframe required by Paladin. Consequently, Paladin decided not to proceed with the formal appointment of Fluor Daniel and is pleased to advise that GRD Minproc has now been engaged as the Project Engineer for the Langer Heinrich Project Bankable Feasibility Study.

This changeover has been carried out with the full co-operation and facilitation of Fluor Daniel, which has enabled a seamless transition to GRD Minproc.

GRD Minproc were selected as a replacement for Fluor Daniel because of their ability to commit a suitably experienced team to the project at short notice and within existing schedule and budget constraints. GRD Minproc has an established Johannesburg office and a Perth head office. They have a proven international track record in mining process and project development and will value-add to this exciting mining project.

The feasibility work by GRD Minproc will concentrate on confirming the viability of an operation at Langer Heinrich using a mining model involving the production of 2.2M lb of U₃O₈ (yellowcake) per annum over a minimum 10 year period. Pre-Feasibility work completed in 2003 showed the project has potential for robust performance which at conservative pricing of US\$17/lb and US\$20/lb U₃O₈ has NPV's (at 10%) of US\$50M and US\$83M with IRR's of 35% and 47% respectively. With production start up anticipated in two years, timing is perfect to benefit further from expected continued increase in uranium price due to the predicted shortage of supply of this commodity in the mid to longer term.

Work will now commence immediately on the Langer Heinrich Bankable Feasibility Study with target completion date within the announced 9-month schedule and likely commencement of construction in early 2005, with production in calendar year 2006.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director