



PALADIN RESOURCES LTD

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Ref:F5388

5 August 2004

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

Dear Sir/Madam

Allotment of Shares – Conversion of Unlisted Options

We wish to advise the Company has today allotted 4,200,000 fully paid shares following the exercise of unlisted options, expiring 31 December 2004 and exercisable at 1.2 cents.

These unlisted options were part of the placement made to Contiguous Millennium Fund in August 2003 at a critical stage of the Company's development when its share price was only 0.8 cents. These funds provided essential working capital for the Company at that time.

Another 3,800,000 unlisted options remain on issue from this placement exercisable at 1.3 cents from this placement.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director