



PALADIN RESOURCES LTD

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

Dear Sir/Madam

**Langer Heinrich Uranium Project
Drilling Start up for Resource Upgrade**

Further to the Paladin Resources Ltd ("PDN") release to the ASX on 6 August 2004 advising of the uranium resource upgrade on its Langer Heinrich Uranium Deposit the Company is pleased to announce that through its wholly owned Namibian subsidiary Langer Heinrich Uranium (Pty) Ltd it has engaged R S Longstaff Resource Drilling to complete a minimum of 5,000m RC drilling targeted to refine the current resource model. This drilling has now commenced and is expected to take 4 to 6 weeks to complete.

The resource upgrade component of the programme involves the drilling of approximately 90 holes to an average depth of 45m. The objective of this work is to determine what additional mineral resources there are in the Detail 1 area and whether sufficient of these resources can be shifted from the Inferred Resource category to the Indicated and Measured Resource categories such that uranium ore for the currently planned 10 year mine life can be sourced solely from Detail 1 leaving the resources in the other 6 Details available for mine life extension consideration.

Hellman and Schofield Pty Ltd will re-estimate the mineral resources by incorporating the results of this drilling and will enable a new mine model to be established for input into the Bankable Feasibility Study which is in progress.

The UxC spot price of uranium rose 25 cents this week to its present level of US\$19.50/lb. The continued upward trend is confirming the strong market outlook for this commodity.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director