



PALADIN RESOURCES LTD

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Ref:F5467

28 September 2004

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

Dear Sir/Madam

Employee Share Option Plan

The Board of directors of Paladin Resources Ltd ("Paladin") has agreed, subject to obtaining shareholder approval, to grant up to a maximum of 15.25 million unlisted options to directors, officers, employees and consultants, pursuant to its Employee Share Option Plan.

In the case of officers, employees and consultants a total of approximately 5 million options will be granted and in the case of directors, a total of 10.25 million. The issue to directors is subject to shareholder approval. All options are exercisable at \$1.00 and will expire 3 years from their date of grant.

All options will only vest on the Company achieving a positive bankable feasibility study on its Langer Heinrich Uranium Project together with acceptable financing for the Project.

Paladin shares closed today on the ASX at 54 cents, having risen from 1.7 cents since last September.

Over a period of years, Paladin has built a comprehensive advanced uranium project base creating (during the present time of highly buoyant market outlook for this commodity) both mine development and corporate opportunities to maximise return to shareholders. Major ongoing efforts are required to guide the Company to the next significant stage of its growth strategy.

The Employee Share Option Plan is designed to offer incentive and future reward to the Company's dedicated and highly skilled workforce pending the Company achieving its objectives.

Resolutions in respect of the above will be included in the Notice of Annual General Meeting.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director