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Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Langer Heinrich Uranium Project Bankable Feasibility Study Recent Drilling Confirms Previous Mineral Resource Estimates

Paladin is pleased to advise that Hellman and Schofield Pty Ltd (H&S), the mineral resource specialists employed for the Langer Heinrich Bankable Feasibility Study, have completed an update of the resource estimates based on 140 holes new infill RC holes totalling 6521m carried out from September to November in the Detail 1 area of the deposit. These are reported here according to the JORC (1999) Code.

This re-evaluation work by H&S has substantiated the significantly increased total resources that were announced to the market on 6 August 2004.

The Revised Total Mineral Resources including all Detail areas (1 to 7) are now: -

- 46.5Mt at 0.071% U₃O₈ containing 33,047t U₃O₈ (300ppm cut-off)
Comprising:
 - Measured Resources 11.14Mt at 0.068% (7,547t contained U₃O₈)
 - Indicated Resources 4.42Mt at 0.057% (2,544t contained U₃O₈)
 - Inferred Resources 30.99Mt at 0.074% (22,956t contained U₃O₈)
- 22.8Mt at 0.105% U₃O₈ containing 23,975t U₃O₈ (500ppm cut-off)
Comprising
 - Measured Resources 5.65Mt at 0.096% (5,446t contained U₃O₈)
 - Indicated Resources 1.87Mt at 0.083% (1,560t contained U₃O₈)
 - Inferred Resources 15.26Mt at 0.112% (16,969t contained U₃O₈)

More importantly the new resource estimates for the Detail 1 area have provided confidence that the 10 year project mine life can be improved upon.

The Revised Detail 1 Total Mineral Resource estimates are now: -

- 20.2Mt at 0.074% U_3O_8 (14,882t of contained U_3O_8) – 300ppm cut off
- 11.6Mt at 0.099% U_3O_8 (11,469t of contained U_3O_8) – 500ppm cut off

The Detail 1 Measured, Indicated and Inferred Resources estimates at the 500ppm cut off are: -

• Measured Resources (above water table)	3.69Mt at 0.094%	(3,461t contained U_3O_8)
• Indicated Resources (above water table)	0.83Mt at 0.084%	(703t contained U_3O_8)
• Inferred Resources (above water table)	0.35Mt at 0.08%	(283t contained U_3O_8)
• Inferred Resources (below water table)	6.71Mt at 0.105%	(7,022t contained U_3O_8)
TOTAL RESOURCES	11.6Mt at 0.099%	(11,469t contained U_3O_8)

At this stage the Measured and Indicated Resources can only be given for that part of the deposit which occurs above the water table. Verification by assaying of the radiometric U_3O_8 (eU_3O_8) values derived from the down hole logging is required and presently being completed. Once this is complete it is anticipated that a substantial portion of the Inferred Resources below the water table as quoted above will be able to be reclassified to a higher resource category.

Other Drilling

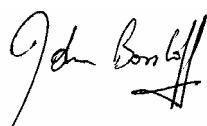
As part of a regional exploration program 16 holes were drilled north of the Detail 2 area to test newly derived in-house theories where mineralisation extensions may occur. Drilling to test one such previously unknown palaeochannel returned highly encouraging results. Three parallel profile lines, 500m were drilled with the best hole on each line as follows: -

Profile 31,000E, 8m: from 33m to 41m at 891ppm U_3O_8 .
Profile 31,500E, 13m: from 30m to 43m at 590ppm U_3O_8 .
Profile 32,000E, 7m: from 25m to 32m at 790ppm U_3O_8 .

This latest work programme validates the company's interpretation that substantial potential exists to grow the mineralisation both within and outside the previously defined mineral resources within the Detail 1 to 7 areas.

Further drilling was also conducted for geotechnical purposes around the tailings and processing plant site areas and to obtain controlled samples for metallurgical work.

Yours faithfully
Paladin Resources Ltd



JOHN BORSHOFF
Managing Director

Declaration

The information in this report that relates to mineral resources is based on information compiled by Ed Becker BSc (hons), MAusIMM, David Princep BSc MAusIMM each of whom have more than five years experience in estimation of mineral resources and ore reserves. Mr Becker is a full-time employee of Paladin Resources Ltd. Mr Princep is a full-time employee of Hellman & Schofield Pty Ltd. The work has been reviewed by Arnold van der Heyden BSc MAusIMM who is a full-time employee of Hellman & Schofield Pty Ltd. Messrs Becker and van der Heyden each have sufficient experience relevant to assessment of uranium mineralisation to qualify as Competent Persons as defined in the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Each of the above named consents to the inclusion of the information in the report in the form and context in which it appears. Note: the use of significant figures in the resource tables does not imply precision and is used to avoid round off errors.