



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

KAYELEKERA URANIUM PROJECT, MALAWI
GRD Minproc Appointed Project Engineer for Bankable Feasibility Study

Paladin Resources Ltd ("Paladin") is pleased to advise that GRD Minproc Pty Ltd ("GRD Minproc") has been appointed as the Project Engineer for the Kayelekera Uranium Project Bankable Feasibility Study ("BFS").

GRD Minproc has been selected following its successful completion of the Langer Heinrich Bankable Feasibility Study for Paladin. Paladin is pleased to be able to maintain continuity of Project Engineer, as this will provide operational efficiencies during the Kayelekera BFS having regard to the knowledge gained and teams established during Langer Heinrich work. GRD Minproc has an established Johannesburg office and a Perth head office with a proven international track record in mining process and project development. This, in conjunction with their increasing uranium experience of GRD Minproc personnel, is creating a valuable partnership to assist Paladin in developing its various uranium mining projects.

The feasibility work by GRD Minproc will concentrate on confirming the viability of an operation at Kayelekera using a mining model involving the production of 2.2M lb of U₃O₈ (yellowcake) per annum over a minimum 10 year period. The updated Pre-Feasibility work completed late 2004 showed the project has potential to generate robust economic performance. With production start-up anticipated in two years, timing is ideal to benefit further from the expected continued increase in uranium price and help establish Paladin to become a significant uranium producer on world markets.

Work will commence immediately on the Kayelekera BFS, with a target completion date for 3rd quarter 2006 and (assuming a positive BFS outcome) likely commencement of construction early 2007.

The 600m diamond drilling programme to obtain core samples for the planned metallurgical testwork commenced this week.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director