



PALADIN RESOURCES LTD

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Ref:H0010

4 July 2005

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

Dear Sir/Madam,

CLARIFICATION OF LANGER HEINRICH ROYALTY PURCHASE

This announcement seeks to clarify the position in relation to the recent acquisition of the Langer Heinrich royalty by Redport Limited as announced to the ASX by Redport on 28 June 2005.

In August 2002, Paladin acquired the Langer Heinrich project from Aztec Resources Ltd and, as part of the acquisition consideration, agreed to pay to Aztec a small vendor production royalty of 12 cents (Australian) per kilogram of yellowcake sold and delivered to a buyer.

Based on current production forecasts of 2.6 million lbs per annum for the Langer Heinrich Uranium Project, this amounts to an annual payment of approximately A \$142,000 translating to a gross royalty equivalent of 0.14% @ US\$ 30/lb U₃O₈.

Yours faithfully,
Paladin Resources Ltd

John Borshoff
Managing Director