



PALADIN RESOURCES LTD

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

Dear Sir / Madam

Langer Heinrich Uranium Project, Namibia First Drawdown under US\$71M Bank Project Finance Facilities

The Directors of Paladin Resources Limited ("Paladin") are pleased to advise that the first drawdown of bank project finance for the Langer Heinrich Uranium Project in Namibia occurred on 30 June 2006 in line with the project's cash requirements.

To enable this drawdown, Paladin completed legal due diligence and documentation, and fulfilled other conditions precedent usual for this type of project finance, including satisfying the banks' technical due diligence process.

Paladin has in place US\$71M bank project finance facilities, consisting of a 7 year Project Finance Facility of US\$65M and a Standby Cost Overrun Facility of US\$6M. The facilities are provided by Société Générale Australia Branch (as lead arranger), Nedbank Capital and Standard Bank Plc.

Langer Heinrich remains on schedule to commence the staged commissioning of the plant on 22 September 2006. Overall, the project is 80% complete and construction is anticipated to be completed within the stated budget of US\$92M. Recruitment for the operational phase is also on schedule with positions filled down to the second level supervisor roles. Project handover from GRD Minproc is as planned for the end of 2006.

Uranium prices continue their strong upward momentum closing for June 2006 at US\$45.50/lb U₃O₈ for the spot market (up US\$2.50 from the end of May) and US\$46.50/lb for long term contracts (as reported by UxC).

Yours sincerely
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director