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

Dear Sir/Madam

Langer Heinrich Uranium Project, Namibia Finalised Bankable Feasibility Study Positive and Development Go-ahead Approval

Paladin Resources Ltd (Paladin) is pleased to report that GRD Minproc (Pty) Ltd ("GRD Minproc") has finalised and delivered the Bankable Feasibility Study (BFS) on Paladin's 100% owned Langer Heinrich Uranium Project in Namibia. After full management review of the BFS the Board has resolved to proceed with development.

Key points to note are:-

- BFS shows the Langer Heinrich Project is financially and technically viable.
- Mining Licence Application submitted to Commissioner of Mines in Namibia for approval.
- Board approval of US\$20M for first phase of Project development (including the Front End Engineering Design [FEED] work).

THE BANKABLE FEASIBILITY STUDY

The BFS concludes that the Langer Heinrich Uranium Project can be developed into a profitable mining operation.

The BFS document covers all aspects of the Project including resources/reserves detailing, mining, production, tailings disposal and uranium marketing. The BFS is supported by comprehensive environmental studies and management plans. The Project is designed to produce 1,180 tonnes (2.6M lbs) per annum (tpa) of uranium oxide concentrates (U₃O₈) from 1.5Mtpa of calcrete associated ores by ore beneficiation, alkaline leaching (heating to 75⁰C), counter-current decantation, ion exchange, precipitation and calcining to produce saleable U₃O₈.

The process plant design including infrastructure and utilities has been developed with capital and operating estimates to $\pm 10\%$ accuracy and also addresses mining, processing, general administration costs and environmental implications.

The BFS was prepared by GRD Minproc which is a leading international engineering contracting company providing technical and development solutions, project delivery and asset management services to the global mining, minerals processing, infrastructure and waste-to-resource sectors. It undertakes projects from its head office in Perth, Western Australia and its regional offices in Johannesburg, South Africa; Santiago, Chile; and Lima, Peru. GRD Minproc maintains an arms length contractor relationship with Paladin.

MINERAL RESOURCES AND RESERVES

The JORC (1999) Code compliant Mineral Resource base used for the BFS pit optimisation work has been previously announced and is summarised as follows:-

TOTAL ESTIMATED RECOVERABLE RESOURCES									
Cut-off	Measured			Indicated			Inferred		
ppm	Mt	ppm	t U ₃ O ₈	Mt	ppm	t U ₃ O ₈	Mt	ppm	t U ₃ O ₈
300	15.24	740	11,208	9.01	660	5,900	22.02	710	15,703

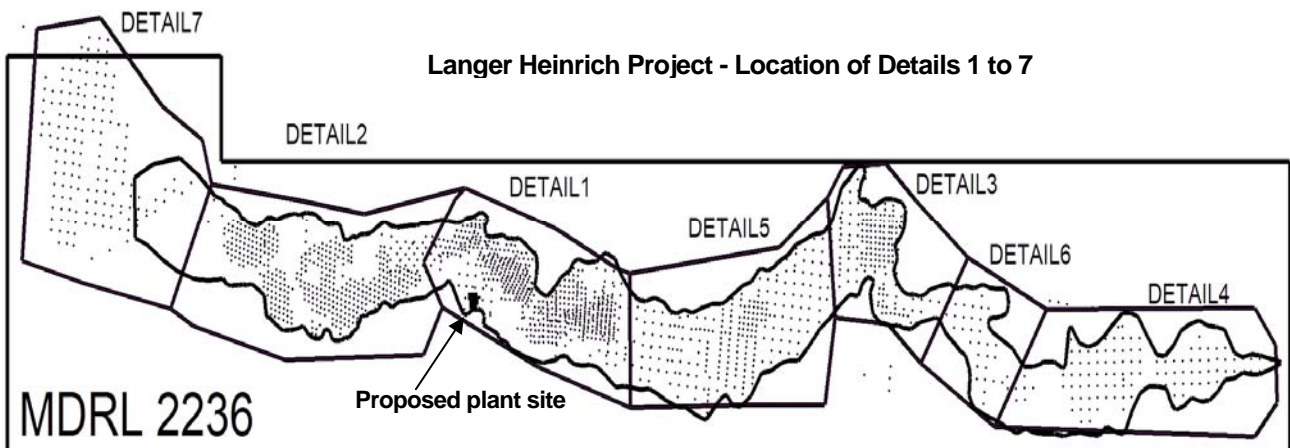
Drilling and statistical modelling in 2004 converted 65% of the then existing Inferred Resource tonnage into the Indicated and Measured Resource category resulting in an overall increase of 75% in contained U₃O₈ into the Indicated and Measured Resource categories.

The finalised BFS results utilising the Measured and Indicated Resources, run on a uranium price of US\$25/lb U₃O₈ determined the following Reserves:-

U ₃ O ₈ Price US\$/lb	Ore (Mt)	Grade U ₃ O ₈ (ppm)	Recovered U ₃ O ₈ (t)	Waste (Mt)	Total (Mt)	Strip Ratio Waste:ore	Cut off U ₃ O ₈ (ppm)
25	22.24	705	14,107	40.02	62.26	2.1:1	250

BFS RESULTS

The BFS defined ore reserves, generated from the Indicated and Measured Resources, occur mainly in the Detail 1 and 2 areas, with a small portion coming from the Detail 3 and 5 areas. Using the ore reserve base of 22.24Mt at an average grade of 0.071% U₃O₈ the BFS has a scheduled mine life of 11 years and a process plant life of 15 years. Based on the mill throughput design of 1.5Mtpa of ore, the BFS shows 1,180tpa U₃O₈ can be produced for the first 11 years at a head feed grade of 0.0875% U₃O₈ and 401tpa U₃O₈ over the last 4 years, using the accumulated low grade stockpile grading 0.032% U₃O₈.



The operating costs for the reserve defined BFS averages US\$14.18/lb U₃O₈ over the life of the project and for the first six years costs average US\$12.20/lb U₃O₈. The capital costs total US\$92M including a 10% contingency plus an "accuracy provision" totalling US\$10M. The capital costs have increased from that which were previously stated. The longer project life possibility from 15 to 24 years has made minimisation of operating costs a priority objective. Increasing capital expenditure to facilitate this exhibits, on an incremental basis, comparatively small impact on project economics compared to operational cost increases and long term performance.

The BFS clearly indicates that the Langer Heinrich Uranium Project can be developed into a profitable mining operation. The BFS incorporates a uranium pricing schedule for U₃O₈ ranging from US\$26/lb to US\$35/lb over the 15 year period. The BFS financial modelling shows highly attractive returns can be achieved based on using defined reserves only. **Paladin is currently unable to release the economic analysis resulting from the BFS work, which incorporates 50% of the Inferred Resources, due to restrictions under Canadian securities laws respecting disclosure of results of economic evaluation which uses Inferred Resources. Paladin is applying for an exemption order from such restrictions from the Ontario Securities Commission so as to be able to release this information.** Nevertheless, even on the reserve constrained BFS model and the conservative pricing schedule, the Project is able to pay back initial capital and working capital 3.5 years after commencement of operations (scheduled for start up for September 2006) showing the robust nature for the Project.

DEVELOPMENT IMPLEMENTATION PLAN

It has been determined that the optimal manner to proceed with development of the Langer Heinrich Project is to utilise an Engineering Procurement and Construction Management (EPCM) contractor to deliver a fit for purpose operation with minimal time loss.

The Company plans to develop the Project in two phases:-

- Phase 1: will consist of the Front End Engineering & Design (FEED) including optimisation work on capital, operating costs, project design, placement of procurement contracts for long lead time items and critical path activities. This is expected to take three to four months, with some non critical engineering being carried over into the construction phase. Budget: US\$20M. Completion: November 2005.
- Phase 2: Construction through to mechanical completion and handover.

The balance of funding for the project will be via a debt/equity package and negotiations for the debt component are well advanced. The total Project schedule is 15 months starting on 1st June 2005 with commissioning and first ore feed starting in September 2006.

MINING LICENCE APPROVAL

All documentation for the Langer Heinrich Mining Licence Application, including the BFS, Environmental Assessment Study and Management Plan, has been prepared and presented to the Ministry of Mines and Energy in Namibia for review and approval. The application has been made for the maximum of 25 years. Initial responses have been favourable and approvals to allow the Project to proceed to development and mining are expected by the end of the 2nd quarter 2005.

Paladin's Board and highly experienced management team believe it has a viable and exciting uranium project that can be developed with a long mine life concurrently with the strengthening uranium outlook - as evidenced by the latest increase in the uranium spot price, which is now reported by Ux to be US\$26.25/lb U₃O₈. This is a US\$2.25/lb, U₃O₈ improvement for the week and is the largest weekly increase in the history of Ux price reporting.

Paladin, through its wholly owned subsidiary Langer Heinrich Uranium (Pty) Ltd, intends to embark on the first conventional uranium mining operation to be developed outside Canada in the past 20 years. This is a important milestone, both for Paladin in becoming a significant uranium supplier and for the nuclear power industry in general, which is in urgent need of new uranium mine supply sources to overcome crucial supply shortages over the mid to long term.

If the Ontario Securities Commission provides the Company with the necessary exemptions, Paladin will report the economic analysis on its entire available uranium resource base at the earliest opportunity.

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 and Tamer Dincer BSc, MSc, MAusIMM MICA, 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. Mr Dincer is a full time employee of Mining Solutions Consultancy 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.