



PALADIN RESOURCES LTD

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Ref:F5998

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

By Electronic Lodgement

Dear Sir/Madam

Langer Heinrich Uranium Project, Namibia Bank Approval for US\$71M Project Finance

The Directors of Paladin Resources Ltd ("Paladin") are pleased to advise that bank approval has been obtained for the debt component of the funding required to develop the Langer Heinrich Uranium Project in Namibia.

Paladin has accepted credit committee approved offers of financing totalling US\$71M, consisting of a 7 year Project Finance Facility of US\$65M and a Standby Cost Overrun Facility of US\$6M. The facilities are being provided by Société Générale Australia Branch (as lead arranger), Nedbank Limited and Standard Bank of South Africa Ltd. Drawdown on the financing is subject to completion of legal due diligence and documentation, and fulfilment of other conditions precedent usual for this type of funding.

This project financing approval has been concluded only 3 weeks after the Mining Licence was granted by the Namibian Government. This has been achieved as a result of the large amount of preceding work that had been carried out to secure debt funding and the focus and dedication by all involved. Negotiations commenced in February 2005, allowing much of the work to be done while the Bankable Feasibility Study was being completed and Mining Licence approval awaited. Behre Dolbear Australia, the noted engineering and resource development specialists, completed an extensive due diligence of the project and the Bankable Feasibility Study. They found the Project investigations and the GRD Minproc Bankable Feasibility Study were thorough and professional and that the project development plan was appropriate, reasonable and achievable. This provided the bank consortia with the necessary level of confidence to allow final negotiations to be concluded smoothly and quickly.

Langer Heinrich Construction Already Underway

As previously announced, the Langer Heinrich Project is already in its construction phase and site works are scheduled to commence in September 2005. The early stage project development is currently being serviced by the funds raised via private placement in April 2005. With debt funding now in place, the Company plans to raise further equity in the near term for the balance of funds required to enable project completion and provide sufficient working capital for the mining start-up and the production ramp up period.

Paladin Continues to Meet Corporate Objectives

Paladin continues to move forward on all its stated objectives and within the specified timeframes. These include Langer Heinrich becoming operational by September 2006, completing the Kayelekera Bankable Feasibility Study in the 4th quarter 2006 and proceeding to evaluate other uranium project opportunities by exploiting its extensive Australian and African proprietary databases.

Importantly, the additional equity funding will also provide working capital needed to enable other uranium project opportunities to be evaluated to provide additional growth within the Company in its bid to become a major supplier of primary uranium to the world markets.

Uranium Price Improves

This week the spot price of uranium U₃O₈ as released by Ux Consulting Ltd has continued its improvement to US\$30.20/lb U₃O₈ and is forecast to go higher. Paladin is the only non producing company in the world seriously embarking on mine development and the timing is exceptionally ideal for the Company to be able to capitalise on this and benefit its shareholders from this very positive situation that exists in the market outlook for uranium.

Yours faithfully
Paladin Resources Ltd



JOHN BORSHOFF
Managing Director