



PALADIN RESOURCES LTD

A.C.N. 061 681 098

GRAND CENTRAL 1ST FLOOR, 26 RAILWAY ROAD
SUBIACO WESTERN AUSTRALIA 6008
PO BOX 201, SUBIACO WESTERN AUSTRALIA 6904

TELEPHONE: (+61 8) 9381 4366 FAX: (+61 8) 9381 4978
EMAIL: paladin@paladinresources.com.au
Web: www.paladinresources.com.au

Ref: 56155

9 April 2007

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

By Electronic Lodgement

Dear Sir/Madam

Kayelekera Uranium Project (Malawi) Mining Licence Granted – 2nd Paladin Uranium Mine Underway

Paladin Resources Ltd ("Paladin") is pleased to announce that the Minister of Energy, Mines and Natural Resources of the Republic of Malawi has granted its wholly owned subsidiary Paladin Africa Ltd a Mining Licence ("ML") for the Kayelekera Uranium Project. With environmental approval already received, this now clears the way for the construction processes to commence.

ML 0152 covers an area of 55.5km² and has been granted for a term of 15 years renewable for further 10 year periods.

Commencement of construction of the Kayelekera Uranium Project marks a highly auspicious moment in the development of Paladin towards becoming a major uranium supplier to the global markets. In the near emerging uranium supplier group (which comprises 3 or 4 companies worldwide) Paladin has distinguished itself in terms of clarity of purpose, transparency of its actions and the long term belief and commitment to the nuclear industry. This has enabled the Company to establish its distinctive project pipeline, which is already well advanced with production at Langer Heinrich and now full clearance to develop Kayelekera.

The Kayelekera Uranium Project is scheduled to commission in September 2008 and reach full production during the 2nd quarter of 2009. Annual production will be 3.3Mlbs U₃O₈. The CAPEX to build the project is US\$185M for which the major portion of funding was raised through its US\$250M convertible bond raising carried out in December 2006. The banking syndicate which provided project debt funding for the Langer Heinrich Uranium Project is also anticipated to provide a similar debt funding package for Kayelekera. The Bankable Feasibility Study defined a project life of 11 years with a mine life of 7 years. Paladin holds exploration properties surrounding ML 0152 which cover 1140km². These hold significant potential for discovery of satellite uranium deposits and with the focussed exploration that is planned (starting 2007) the Company believes it can extend project life materially beyond the 11 years as stated in the Bankable Feasibility Study.

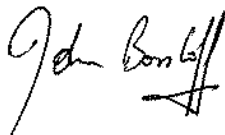
Selection of the EPCM Project Manager is at an advanced stage of consideration and the mining contractor tender is at final stage of review. The pioneer work to establish the 9km branch road to the site, the advance party camp and satellite communications is underway. The rebuild of the 2nd hand Dominion SAG Mill, which was secured in August 2006, will commence immediately thus avoiding critical lead time loss.

Significance of Paladin's Production Timing

As has already been declared, Paladin has term sales contracts to US utilities for approximately 7.5Mlbs U₃O₈ for delivery between 2007 to 2012. These contracts were required to meet bankers' conditions for its Langer Heinrich Project loan. Kayelekera is forecast to reach full production of 3.3Mlbs U₃O₈ per annum in 2009 and the Langer Heinrich Stage 2 expansion is expected to be completed during the latter part of 2008 to allow that project to produce a minimum of 3.7Mlbs per annum. **Total cumulative production by Paladin in the critical period to the end of 2012 is expected to be in the vicinity of 31Mlbs.** Even using conservative price forecasting (average US\$90/lb), the total revenue generated by the Company during this period would be in the vicinity of US\$2.8 billion (A\$3.5 billion) giving Paladin significant cash flows with which to advantage its shareholders. It should be noted that TradeTech in its weekly nuclear market publication has reported the uranium spot price for the week ending April 6, 2007 rose to US\$113/lb U₃O₈. This is the largest single increase since uranium prices were first reported by NUEXCO in 1968.

It is of great significance therefore that a vast majority of Paladin's production to 2012 and beyond remains uncommitted and still available for sale at a time of unprecedented uranium shortage. This will add significantly to strategic development, acquisition and marketing opportunities already available to the Company.

Yours faithfully
Paladin Resources Ltd



JOHN BORSHOFF
Managing Director