



PALADIN RESOURCES LTD

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

By Electronic Lodgement

Dear Sir/Madam

Kayelekera Project, Malawi

The Company wishes to advise shareholders that its subsidiary Paladin (Africa) Limited ("PAL") and the Government of Malawi have been named defendants in two actions commenced by a group of Non-Government Organisations ("NGO's") in Malawi. Shareholders should also be aware that the NGO's claim that their actions are not intended to stop the development of the Kayelekera Project. Mr Mwakasungula of the Centre for Human Rights and Rehabilitation, who has sworn the affidavit in support of the legal actions, states: "Centre for Human Rights and Rehabilitation (CHRR) which I represent, and all the other Plaintiffs herein are not against the Kayelekera Project. It is a very welcome project ..."

The two actions referred above seek to delay the Kayelekera Project until the Government and PAL, amongst other things:

- (i) rectify alleged deficiencies in the process associated with the grant of approval under the Malawi Environment Management Act ("EMA"); and
- (ii) put in place additional protective measures affecting both the local community and the country.

Both the Government and PAL intend to vigorously defend all claims particularly those concerning the Environmental Impact Assessment ("EIA").

The EIA was prepared by Knight Piesold (Pty) Limited ("Knight Piesold"), a member company of the International Knight Piesold Group. Knight Piesold is an engineering and environmental consulting firm based in Johannesburg, South Africa. International Knight Piesold Group has offices in Canada, Australia, the USA, and various offices in Africa and South America. A team of in-house and sub-contracted specialists sourced from Malawi and from around the world were involved in the preparation of the EIA. The EIA was reviewed by the Director of Environmental Affairs in accordance with the EMA prior to the grant to PAL of the approval to proceed with the Kayelekera Project.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director