



PALADIN RESOURCES LTD

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7 June 2007

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
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By Electronic Lodgement

Dear Sir/Madam

Kayelekera Uranium Project, Malawi Government Support Reaffirmed

Further to the announcement on 28 May 2007 that Paladin (Africa) Ltd ("PAL") and the Government of Malawi had been named in two actions commenced by a group of Non Government Organisations ("NGO's"), we advise that the Ministry of Mines and Energy ("the Ministry") has released a statement indicating its support for the Kayelekera Uranium Project and strongly refuting claims made by the NGO's.

The press statement released 5 June 2007 by The Ministry states that the Government has complied with the Environmental Management Act ("the Act") in relation to the Uranium Mining Project at Kayelekera which is to be undertaken by PAL. It further states that:-

- ".....according to with the Act, the responsibility for carrying out Environmental Impact Assessment lies with the developer whereas responsibility to call for public hearings and comments on the EIA report lies with the Director of Environmental Affairs. In this respect the Director of Environmental Affairs undertook to distribute the EIA reports for review and comments by the Public at Kayelekera, Karonga District Assembly, University of Mzuzu, Mzuzu City Assembly, the then Ministry of Energy, Mines and Natural Resources Headquarters, now the Ministry of Energy and Mines, Department of Environmental Affairs, Bunda College, Chancellor College and Polytechnic".
- "Experts, including those from International Atomic Energy Agency (IAEA) commented on the Environmental Impact Assessment report and their valuable proposals have been taken into account".
- "That the Government has complied with the Act and it has undertaken to monitor the Kayelekera Uranium Mining Project on an ongoing basis" also stating "that it is in the Public's interest that the Uranium Mining Project at Kayelekera should be carried out by PAL as the Ministry believes that the Government of Malawi has not transgressed any of its laws".

Paladin remains confident that it has proceeded in the proper manner with regard to developing the Kayelekera Uranium Project and is encouraged by the positive stance the Government of Malawi has taken on this important matter.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director



Ministry of Energy and Mines

PRESS RELEASE

The Ministry of Energy and Mines has taken note with great dismay Press Reports suggesting that the Government failed to comply with the Environment Management Act ("the Act") in relation to the Uranium Mining Project at Kayelekera which is to be undertaken by Paladin (Africa) Limited.

The Act makes provision for the protection and management of the environment and the conservation and sustainable utilization of natural resources.

The Government wishes to inform the public that an environmental impact assessment was required to be carried out by Paladin (Africa) Limited and Government considered the report of such assessment and also comments from the general public and others. In this regard, the Ministry wishes to inform the Public that according to the Act, the responsibility for carrying out Environmental Impact Assessment lies with the developer whereas responsibility to call for public hearings and comments on the EIA report lies with the Director of Environmental Affairs. In this respect the Director of Environmental Affairs undertook to distribute the EIA reports for review and comments by the Public at Kayelekera, Karonga District Assembly, Mzuzu University, Mzuzu City Assembly, the then Ministry of Energy, Mines and Natural Resources Headquarters, now the Ministry of Energy and Mines, Department of Environmental Affairs, Bunda College, Chancellor College and polytechnic.

Furthermore, experts, including those from International Atomic Energy Agency (IAEA) commented on the Environmental Impact Assessment report and their valuable proposals have been taken into account.

The truth of the matter therefore is that Government has complied with the Act and it has undertaken to monitor the Kayelekera Uranium Mining Project on an ongoing basis. Such being the case, the Ministry of Energy and Mines would therefore like to inform all Malawians who wish this country well that it is in the Public's interest that the Uranium Mining Project at Kayelekera should be carried out by Paladin (Africa) Limited as the Ministry believes that Government of Malawi has not transgressed any of its laws.

CP Msosa
Secretary for Energy and Mines
Private Bag 350
Capital City
Lilongwe 3
MALAWI

NATION
07/06/07

DATED THIS: 5 June 2007.