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AUSTRALIAN STOCK EXCHANGE
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To:	The Company Announcements Officer	**From:**	Ross Kennedy
Co.:	Australian Stock Exchange Limited	**Pages:**	3
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- **Chairman's Address**

PALADIN RESOURCES LTD

CHAIRMAN'S ADDRESS

Extraordinary General Meeting

22 January 2003

Ladies and Gentlemen

Thank you for coming to this Extraordinary General Meeting today called by a dissenting shareholder group who have called for changes to the Paladin Board.

Before I proceed further I am pleased to report that as a result of Board rationalisations that have occurred the shareholder group who requisitioned this meeting to oust the current Directors have advised that they now do not intend to contest the vote at this meeting. Nevertheless we have been advised legally that we must proceed with the business of this meeting as a matter of order and vote on each of the resolutions on the table.

This is my first formal duty as the new Chairman of Paladin. I replaced Doug Dunnet on 10 December last year a move which was initiated by the then existing Board taking note of both shareholder concern and the needs of the company moving forward. On behalf of myself and the Board I would like to thank Doug for his contribution over the past 9 years.

I understand that the past 3 months have been particularly difficult with the shareholder division that has occurred coming at a time when a clear path in mineral resource focus could be determined. No company especially in the junior size can afford to have a severe split in its shareholder base unresolved. In its deliberations the Paladin Board has taken cognisance of both skill base of the Board, evolving needs of the company and within these constraints find a solution beneficial to the Company which would also satisfy the dissenting shareholder group and give all concerned confidence that the company will move forward positively.

As you are all aware Gill Swaby also resigned as Director/Company Secretary last week. This has been a reluctant decision by the Board and it should be noted that Gill's departure in no way reflects her performance. Nevertheless the Board has decided to reduce its Board numbers to 3 directors in the interim and to satisfy cost cutting rationalisation measures and the Board sincerely thanks Gill for the dedicated service she has given since the inception of the Company in 1994.

As a result of the instability caused to the Company due to the shareholder dissention Sean Llewelyn who previously announced his intention to join the Board has withdrawn his consent but will review the matter in the near future once it can be shown the company has been stabilised. This is a very unfortunate development and your Board will be working very hard to have Sean to reverse his decision at the appropriate time as he is important in our future planning especially with regard to the financial and product marketing aspects related to our proposed Langer Heinrich Uranium Project.

In terms of going forward we have a program/budget for the next six months which sets out 2 clear milestones. Firstly to get the Langer Heinrich to the stage of decision whether we should take the project to bankable feasibility stage and secondly to initiate some aggressive project generation work both in house with independent consultants, and possibly via some third party involvement.

Langer Heinrich is showing all the signs it is a worthy project and our evaluation is anticipated to be completed by early February. Our project generation work should be ready to commence in earnest in mid February.

The sale of the building has been delayed due to delays by the Avanti Group to negotiate an overriding agreement with a third party who will also be part of the purchasing group for the building. We understand these negotiations are at an advanced stage expected to be concluded shortly but as of today the property sale remains conditional.

With the changes and disruptions that occurred in these past months there has been an inevitable delay in achieving some of the work objectives. I was pleased to note the letter received from the dissenting shareholders electing not to enter their vote regarding resignations of all the Directors and stating that the changes that have occurred and strategic plans being considered are positive for the future. As mentioned our programs are now set in place, budgets have been trimmed and on behalf of Paladin I ask all the shareholders to give us the support we need to meet our stated objectives without further unnecessary distractions.

D R Kennedy
Chairman

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