PALADIN RESOURCES LTD
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23 July 2004

The Company Announcements Officer
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

QUARTERLY REPORT
FOR PERIOD ENDING - 30 JUNE 2004

HIGHLIGHTS

- ***Uranium Spot Price continuing its strong performance***
  - ***US\$17.60/lb U_3O_8 to US\$18.50/lb U_3O_8 for the quarter***
- ***Langer Heinrich Uranium Project***
  - ***feasibility study progressing***
- ***Kayelekera Uranium Project***
  - ***field program initiated***
- ***$3.52M capital raising successfully completed***

URANIUM MARKET

The uranium spot price maintained upward momentum during the quarter reaching US\$18.50/lb U_3O_8 in June, a 20 year high. This price strengthening is being created by a strongly performing global nuclear electricity generating regime coupled with diminished above-ground inventories. The inability of miners to increase current production due to limited incremental capacity is a key problem placing pressure on uranium pricing. Potential uranium shortages are identified for the period 2007 and beyond for which supply orders need to be filled in the next 6 to 9 months because of the long lead times involved. Even current elevated pricing appears insufficient as it is not encouraging the majority of suppliers to release uranium into the market. For this reason, further price increases are expected when purchasing activity resumes in the fourth quarter after the northern hemisphere holiday season is finished.

The World Nuclear Fuel Market held its 31st Annual Meeting and International Conference on Nuclear Fuel in Vancouver in May and was well attended by all stakeholders in the nuclear industry from suppliers to consumers. Paladin also attended this meeting at which John Borshoff was invited as a guest panellist. The key theme concerned the crucial inventory run out which essentially confirmed the supply shortage issue and the need to increase mine production beyond what is currently scheduled. Paladin with its Langer Heinrich Project is likely to be one of the limited number of new uranium production centres to commence operations during this time frame.

In addition to these anticipated shortages which are predicted to occur on the basis of existing nuclear electricity generating capacity, China has announced an aggressive program to increase its nuclear power generating capacity by a factor of four by 2020. This translates to China building two nuclear reactors per year for the next 16 years.

LANGER HEINRICH URANIUM PROJECT (100%)

The Bankable Feasibility Study for this project was initiated during the quarter. All sub-contractors required for completion of the work including metallurgy, environmental assessment, ore resource modelling, mine design, water and electricity supply and tailings dam design, were engaged by the Project Manger (Minproc). As previously reported this specifically involves the following:-

Mintek	Metallurgical Studies	Johannesburg based
Softchem Pty Ltd	Environmental Studies	Johannesburg based
Knight Piesold Consulting	Tailings and Geotechnical Studies	Johannesburg based
Hellman and Schofield Pty Ltd	Ore Resource Studies	Perth based
Mining Solutions Consultancy Pty Ltd	Mining Studies	Perth based
Lund Consulting Engineers	Water Supply Studies	Namibia based
Seelenbinder Consulting Engineers	Power Supply Studies	Namibia based

A base line schedule was completed, and indicates a study completion date of the end of February 2005.

Metallurgical work has commenced with preliminary leach test work being undertaken to establish baseline data for uranium extraction and recovery. Solid-liquid separation characteristics of the ore will also be established as a second phase of this early work. The results of this preliminary program should refine the scope of later work, and may lead to a shortened program allowing earlier definition of process selection and design.

A number of site visits have been carried out to address power and water supply, field verification for final ore resource assessment and environmental and tailings dam design studies.

The meetings with power and water supply sub-contractors as well as Namibian government utility agencies Nampower and Namwater have resolved where both services will be sourced and a preferred supply route has been identified. It is hoped that approvals for this route will be obtained once the environmental assessment is completed after which detailed design can proceed.

Environmental activities have commenced with flora and fauna work initiated. A presentation to various government authorities including Ministry of Environment and Tourism to present the draft EIS is planned for July.

Hellman and Schofield completed ore resource estimation work and results can be reported once necessary peer review assessment has been carried out. Mine modelling will commence once resource figures are finalised and a site visit with various potential mining contractors is planned for early August to progress mine design work.

KAYELEKERA URANIUM PROJECT (90%)

Planning for the August/September drilling program has progressed. An RC drilling rig has been sourced and a diamond drilling rig has been made available by the Malawi Geological Survey. Contracts have been agreed. The diamond drilling will be supervised by the RC drilling contractor.

A field trip will be undertaken in late July to prepare for the forthcoming drilling program. As previously advised this will involve 1,000m of RC drilling (max depth 100m) plus 150m of diamond core drilling necessary for the ore upgrade testwork. Two geologists have been seconded from the Malawi Geological Survey to assist in site evaluation to ensure everything will be in readiness for this planned drilling work.

A radiometric ore sorting procedure has also been designed which will enable radiometric readings to be taken from diamond core samples in the field under defined conditions. This data once analysed by the radiometric ore sorting laboratories will enable preliminary sorting characteristics of the ore to be determined and this information will be used to optimise the metallurgical aspects of the feasibility study.

CORPORATE

$3.52 million Placement

A private placement was completed with a major Canadian investment fund manager and some influential Canadian private investors to raise $3,520,000 by issue of 32,000,000 fully paid shares at 11 cents per share. This placement was completed at 95% of current market price and did not incur any commissions or fees.

Sprott Asset Management Inc (SAM) took 50% of the placement. SAM is a Canadian based investor manager focussing on small to mid capped companies and is regarded as a market leader in the Canadian investment industry.

Paladin with its quality uranium asset portfolio spearheaded by its flagship Langer Heinrich Uranium Project in Namibia is seen as an attractive investment opportunity in the Canadian market. This investment by the placement participants in Canada is seen as a basis for the future development of Paladin.

Funds raised are required for working capital including funding and development of other uranium opportunities and completion of the Langer Heinrich Bankable Feasibility Study.

Appointment of Alternate Director

Mr Michael Blakiston, solicitor and partner of Blakiston and Crabb, has been appointed as alternate Director to Mr Rick Crabb for the period 16 June 2004 to 5 January 2005.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director

Information in this quarterly report has been compiled by corporate members of the Australian Institute of Mining and Metallurgy who have had more than five years experience in the field of activity reported herein.