



## Press Announcement

FOR IMMEDIATE RELEASE

### PALADIN ANNOUNCES PRIVATE PLACEMENT OF SPECIAL WARRANTS \$20 MILLION

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

**Montreal, Canada, March 12, 2002** - Paladin Labs Inc. (TSE:PLB) today announced that it has entered into an agreement to issue special warrants, through a syndicate of agents co-led by CIBC World Markets and Yorkton Securities Inc. and including, Desjardins Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc. and Sprott Securities Inc. Paladin will issue 2,105,500 special warrants at a price of \$9.50 for total gross proceeds of \$20 million. The Company has also granted to the agents an over-allotment option which will entitle the agents to sell, on or before closing, up to an additional 315,800 special warrants at a price of \$9.50 for additional gross proceeds of \$3 million. Each special warrant will be exercisable, for no additional consideration, into one common share of the Company. Closing is expected on March 21, 2002, and is subject to certain conditions including, but not limited to, satisfactory due diligence and the receipt of all necessary approvals including the approval of the Toronto Stock Exchange.

The net proceeds from the underwriting will be used by Paladin for working capital and corporate development purposes.

*The Common Shares offered have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and many not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable states securities laws.*

#### **About Paladin Labs Inc.**

Paladin Labs Inc., headquartered in Montreal, Quebec, is a rapidly growing pharmaceutical company focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian market. With this strategy, a focused national sales team and proven marketing expertise, Paladin has evolved into one of Canada's most profitable publicly-traded pharmaceutical companies. Paladin's shares trade on the Toronto Stock Exchange under the symbol *PLB*. For more information about Paladin, please visit the Paladin Web Site at [www.paladinlabs.com](http://www.paladinlabs.com).

*This news release may contain forward-looking statements or predictions. These statements represent our judgement as of this date and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward-looking statements. Potential risks and uncertainties include, without limitation, those associated with product development, clinical trials, future revenues and profitability, and obtaining marketing approval.*

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