



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN ANNOUNCES THE CLOSING OF A \$21 MILLION SPECIAL WARRANT PRIVATE PLACEMENT

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 21, 2002 - Paladin Labs Inc. (TSE:PLB) today announced that it has closed the \$21 million special warrant private placement previously announced on March 12, 2002. This financing was co-led by CIBC World Markets Inc. and Yorkton Securities Inc. and included, Desjardins Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc. and Sprott Securities Inc. Paladin issued 2,205,500 special warrants including an over-allotment option of 100,000 special warrants at a price of \$9.50 for total gross proceeds of \$20,952,250. Each special warrant is exercisable, for no additional consideration, into one common share of the Company. The Company is currently preparing a prospectus to qualify the distribution of the common shares issuable upon the exercise of the special warrants. One-half of the proceeds of the financing are being held in escrow until the final prospectus has been cleared by the applicable securities commissions.

The net proceeds from the offering 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.

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.

For further information please contact:

Paladin Labs Inc.

Samira Sakhia, Chief Financial Officer

Tel: 514-340-5067

E-mail: info@paladin-labs.com

Web Site: www.paladin-labs.com

The Equicom Group Inc.

Joanna Longo, Investor Relations

Tel: 416-815-0700 ext.233

E-mail: jlongo@equicomgroup.com

Web Site: www.equicomgroup.com