



Press Announcement

FOR IMMEDIATE RELEASE

PALADIN RECEIVES REQUEST FROM HEALTH CANADA FOR ADDITIONAL INFORMATION FOR PLAN B™ NON-PRESCRIPTION SWITCH SUBMISSION

Montreal, Canada, July 9, 2002 - Paladin Labs Inc. ("Paladin") (TSX: PLB) announced today that it has been advised by Health Canada that its application on behalf of Women's Capital Corporation to change Plan B™, an emergency contraceptive pill, from prescription-only to non-prescription status will not be approved at this time. Paladin has received a Notice of Deficiency and has 90 calendar days to submit a complete response to Health Canada's issues.

"We are comfortable that we will be able to address Health Canada's issues within the 90-day window," said Dr. Katia Betito, Executive Director of Scientific Affairs of Paladin. "This request does not jeopardize the Priority Review Status assigned to this submission earlier this year."

"This switch will be a real breakthrough for Canadian women," said Janet Cooper, senior director-professional affairs of the Canadian Pharmacists Association and co-chair of the National Advisory Committee on Emergency Contraception. "Allowing women more timely access to emergency contraception is vital since they only have 72 hours to act after unprotected sex."

Paladin obtained the exclusive Canadian distribution rights to Plan B™ from Women's Capital Corporation in December 1999. Plan B™ is the first progestin-only pill indicated to prevent pregnancy after a contraceptive failure or unprotected sex. It is highly effective and produces significantly less nausea and vomiting than other emergency contraceptive regimens. Health Canada approved Plan B™ as a prescription product in February 2000.

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 and Plan B™, please visit the Paladin Web Site at www.paladinlabs.com/e/products/products.htm.

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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