



**NEWS RELEASE**

**HEALTH CANADA REQUESTS ADDITIONAL INFORMATION ON  
VANTAS<sup>®</sup> NEW DRUG SUBMISSION**

**Montreal, Canada, June 16, 2005** - Paladin Labs Inc. (TSX: PLB), a leading Canadian specialty pharmaceutical company, today announced that it has been advised by the Therapeutic Products Directorate (TPD) of Health Canada that its New Drug Submission (NDS) for Vanats<sup>®</sup> (Histrelin Hydrogel Implant) will not be approved at this time. Paladin has received a Notice of Non Compliance and will respond to Health Canada's issues within the prescribed 90 day window.

Vantas<sup>®</sup> was developed by Valera Pharmaceuticals and licensed to Paladin for the Canadian market in October 2002. Vantas was approved by the FDA for sale in the United States and was successfully launched by Valera in late-2004. Vantas is a unique, once-yearly luteinizing hormone-releasing hormone (LHRH) implant indicated for the treatment of prostate cancer, the most prevalent form of cancer afflicting Canadian men

**About Paladin Labs**

Paladin Labs Inc., headquartered in Montreal, Canada, is a specialty 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 leading specialty pharmaceutical companies. Paladin's shares trade on the Toronto Stock Exchange under the symbol *PLB*. For more information about Paladin, please visit the Company's Website 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 and other factors. For additional information on risks and uncertainties related to the forward-looking statements, investors should consult the Company's ongoing quarterly filings, annual reports and Annual Information Form and other filings found on SEDAR at [www.sedar.com](http://www.sedar.com).*

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