

**PAN PALLADIUM LIMITED**

ACN 093 178 388

8 March 2006

Ms C Panetta  
The Australian Stock Exchange Ltd  
Level 8, Exchange Plaza  
2 The Esplanade  
Perth, WA 6000

**By facsimile: 9221 2020**

Dear Madam

**PRICE AND VOLUME QUERY**

We refer to your inquiry in relation to an increase in the Company's share price from 17 cents on 7 March 2006 to a high of 20.5 cents today, and respond in the same order:

1. The Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.
2. Not applicable.
3. The Company does not have an explanation for the price change in the securities of the Company. The directors have been made aware that today's increase in volume of shares traded is partly due to a director buying shares on market for which an Appendix 3Y will be lodged in due course.
4. The Company confirms that it is in compliance with ASX Listing Rules and, in particular, Listing Rule 3.1 (immediate notification of material information).

Yours faithfully

Paul Jurman  
Company Secretary

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30 Ledger Road (P.O. Box 717) Balcatta Western Australia 6021  
Telephone: - 61 8 9240 2836 Facsimile: + 61 8 9240 2406

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**ASX**  
AUSTRALIAN STOCK EXCHANGE

**FAXED**  
8 March 2006

Mr Paul Jurman  
Company Secretary  
Pan Palladium Limited  
PO Box 717  
BALCATTA WA 6021

By facsimile: (08) 9240 2406

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Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 (08) 9224 0014  
Facsimile 61 (08) 9221 2020  
Internet <http://www.asx.com.au>

Dear Sir

Pan Palladium Limited (the "Company")

**RE: PRICE AND VOLUME QUERY**

We have noted a change in the price of the Company's securities from \$0.17 on 7 March 2006 to \$0.205 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than the close of business (ie before 5.00 p.m. (W.S.T) today, 8 March 2006.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours faithfully



Christine Panetta  
Senior Adviser, Issuers

Direct Line: (08) 9224 0014