ASX
AUSTRALIAN STOCK EXCHANGE

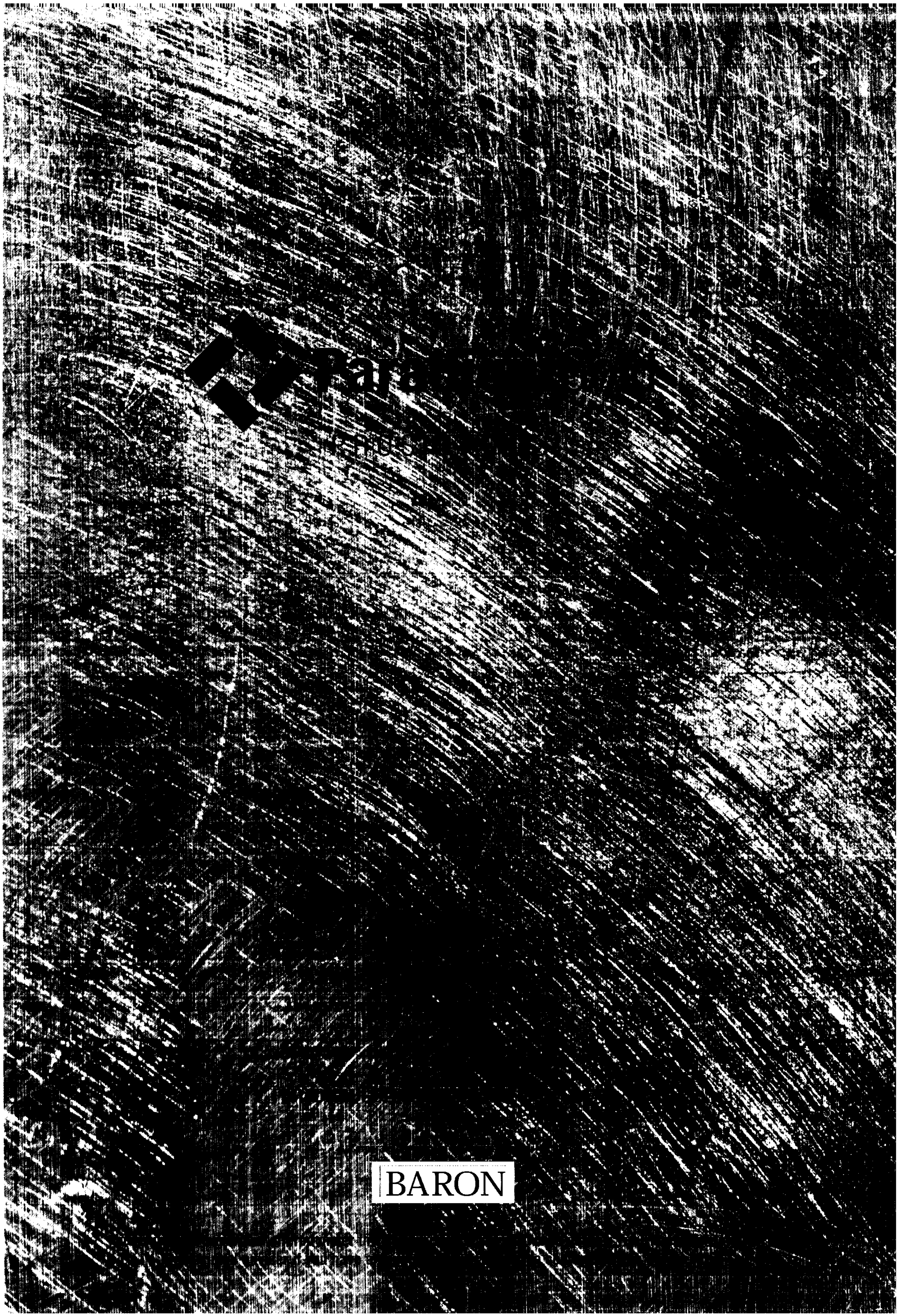
MARKET RELEASE

8 October 2003

Paradigm Gold Limited

Paradigm Gold Limited has applied for admission to the official list of Australian Stock Exchange Limited and for quotation of its securities. It has been given a provisional ASX code. Provision of an ASX code and publication of the following information does not mean that the entity will be admitted or that its securities will be quoted.

Pam Ross
Manager Company Announcements Office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Corporate Directory

Directors

Richard Austen	*Non-Executive Chairman*
Graham Carman	*Managing Director*
John Gaskell	*Non-Executive Director*
Stephen Lonergan	*Non-Executive Director*
Ray Soper	*Non-Executive Director*

Company Secretary
Stephen Lonergan

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Corporate Adviser
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SYDNEY NSW 2000

Legal Adviser
Watson Mangioni
Level 13, 50 Carrington Street
SYDNEY NSW 2000

Auditor
PKF
Level 10, 1 Margaret Street
SYDNEY NSW 2000

Independent Geologist
Geonz Associates Ltd
19 Longwood Place
Harrowfield
HAMILTON, NEW ZEALAND

Mining Title Search Consultant
Hetherington Exploration and Mining Title Services Pty Ltd
1st Floor, 503 Willoughby Road
WILLOUGHBY NSW 2068

Share Registry
Registries Limited
Level 2, 28 Margaret Street
SYDNEY NSW 2000

This Prospectus is dated 19 September 2003 and was lodged with ASIC on that date. No responsibility for the contents of the Prospectus is taken by ASIC. No securities will be allotted, issued or sold on the basis of the Prospectus later than its expiry date, being the date 13 months after the date of the Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Certain terms and abbreviations used in the Prospectus have defined meanings as set out in the Glossary. References to dollars are to Australian dollars.

An investment in the Company has the general risks associated with any investment in the sharemarket. This Prospectus should be read in its entirety to appreciate the types of risk associated with an investment in the Company (refer to Section 8). An investment in the Company must be considered speculative.

The Offer to which the Electronic Prospectus relates is only available to persons receiving the Electronic Prospectus in Australia.

The Company will send to a person a copy of the paper Prospectus and paper Application Form free of charge if the person asks during the application period.

The Shares and Options to which the Electronic Prospectus relates will only be issued or transferred on receipt of a printed copy of the electronic Application Form together with a printed copy of the Prospectus. The Application Form may be generated by software accessible by the same means as the Prospectus.

Offers under this Prospectus will be made pursuant to an arrangement between the Company and licensed securities dealers pursuant to Section 911A(2)(b) of the Corporations Act. The Company will only authorise securities dealers to make offers to people to arrange for the issue of Shares by the Company under the Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted. The Company will forward all Application Forms and Application Monies to Baron Partners Limited. Baron Partners Limited will deposit and deal with the Application Monies pursuant to this Prospectus. An Application Form received which does not bear a dealer's stamp will be forwarded to Baron Partners Limited or another appropriately licensed dealer for initial processing. The function performed by Baron Partners Limited should not be considered as an endorsement of the Offer nor a recommendation of the suitability of the Offer for any Investor. Baron Partners Limited does not guarantee the success or performance of the Company or the returns, if any, to be received by investors. Neither Baron Partners Limited nor any other securities dealer is responsible for or caused the issue of this Prospectus. The Company reserves the right to enter into similar arrangements to those with Baron Partners Limited with other appropriately licensed securities dealers.

Chairman's Letter

Dear Investor,

On behalf of the Directors of Paradigm Gold Limited ("Paradigm"), it is with great pleasure that I invite you to become a shareholder in the Company.

I believe that five important elements enhance the chances of exploration success:

- **Focus:** The Company has a clear exploration focus for gold and gold-copper deposits of the 'porphyry' or Cadia-Ridgeway type in eastern Australia. Paradigm considers that much of this region is underexplored for this type of deposit, particularly where prospective rocks are covered by young superficial cover.
- **Prospectivity:** The portfolio of eleven projects is considered to be highly prospective, as confirmed by the report of the Independent Geologist.
- **Active:** Paradigm will be an active explorer. Two of the Company's cornerstone projects are planned to be drilled shortly after the IPO. The plan is to drill test as many of the projects as possible during the first year.
- **Ownership:** Its fourteen exploration licences are fully owned (but subject to a 2% Net Smelter Royalty (NSR) and a 2% Gross Overriding Royalty (GOR)). This gives the Company flexibility and control, while shareholders will benefit from full economic exposure to new discoveries.
- **Access:** Projects are well located with respect to road and/or rail infrastructure.

While all of the Company's eleven projects have potential, two projects in particular stand out: North Cadia and Guyra. The North Cadia project is located less than 10 km from Newcrest's Cadia-Ridgeway mine in central New South Wales. Results from one reconnaissance borehole drilled by the Company confirmed the potential for porphyry mineralisation under the basalt cover which has apparently deterred previous explorers. At Guyra in the New England area of New South Wales, a window in the basalt exposes porphyry-style copper mineralisation. Limited previous drilling indicates low-grade, but no work has been done to follow up its extension under cover or at depth.

Paradigm has assembled an experienced team. The Managing Director has extensive exploration experience in eastern Australia and overseas. In particular, he has specialised in the exploration characteristics of large gold-copper deposits in Papua New Guinea and South America.

Paradigm aims to use shareholders' funds effectively and efficiently. The Company will be run as a low cost, simple operation using contracted geoscience professionals as required to support the Managing Director.

The Board of Paradigm provides an excellent balance of experience and capabilities. Three of the non-executive Directors and the Managing Director held senior board or management positions in Savage Resources Limited, formerly a mid-sized copper-gold-zinc and coal mining company.

The information in the Prospectus is important and should be read with care. Whilst the prospects are exciting, any investment of this nature must be considered speculative.

On behalf of the Directors, I commend this investment to you and look forward to welcoming you as a shareholder of the Company.

Yours sincerely,

R Austen.

Richard Austen
Chairman

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Key Dates

Offer opens	3 October 2003
Offer closes	31 October 2003
Expected despatch of Shareholding statements	6 November 2003
Trading expected to commence on ASX	12 November 2003

Dates are indicative only. The Company has the right to close the Offer earlier without any notice, or to extend the closing time and date without notice.

No application for Shares will be accepted nor will Shares be issued until the expiry of a minimum period of seven days, or any longer period required by ASIC under section 727(3) of the Corporations Act, following the date of lodgement of the Prospectus.

Investors are encouraged to submit their Applications as early as possible after the Offer opens as it may close at any time thereafter without notice.

Key Offer Statistics

Offer Price: 20 cents per Share

	Minimum Subscription	Maximum Subscription
Shares being offered under this Prospectus	17,500,000	25,000,000
Shares on issue prior to the Offer	19,132,178	19,132,178
Shares on issue following the Offer	36,632,178	44,132,178
Market Capitalisation at Offer Price (undiluted)	$7.33 million	$8.83 million

For every two Shares subscribed for under this Prospectus, each investor is entitled to one Option for no extra consideration, exercisable at 25 cents on or before 18 May 2008.

Prior to the Offer, the Company had a total of 2,075,469 Options on issue, exercisable at 25 cents on or before 18 May 2008. The Company will also be issuing 400,000 Options to the Advisers on completion of the Offer.

Application will be made for Options issued pursuant to the Offer to be quoted on the ASX. Options (other than those issued pursuant to the Offer) will be classified by the ASX as restricted securities for up to two years. See Section 10.13 for details.


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The Offer

SECTIONS 1 – 4

1 Investment Summary

New Concepts and Models
Paradigm is amongst the first junior exploration companies to look for porphyry deposits in eastern Australia under shallow cover

Clear Focus
The Company's focus is for gold-copper porphyries which will interest major mining companies

Rapid Upgrade
The objective is to rapidly upgrade early-stage exploration projects to an advanced stage

Leverage Potential
First-pass exploration success can create huge leverage potential

Minimal Recycling
Paradigm does not plan to recycle projects that have proven unproductive for other explorers/miners

Prospective Targets
Highly prospective targets including the untested 'North Cadia' and 'Guyra'

Sound Portfolio
Eleven fully owned projects subject to a 2% NSR and GOR (royalties) all located in prospective belts in New South Wales and Queensland

Prioritisation
The cornerstone projects of North Cadia and Guyra are planned to be drilled shortly after the IPO

Locations Accessible
Cornerstone projects are well located with respect to infrastructure

Strong Board
Paradigm's Board and management team are widely experienced

Funds Directed to Drilling
The Company aims to spend approximately two-thirds of the funds raised on drill-related activities in the first two years

2. The Company and its Projects

2.1 Introduction

Paradigm was incorporated in November 2002 to explore eleven mineral projects in eastern Australia identified and acquired via Tenement applications by Paradigm Geoscience Pty Limited (a company associated with the founders of Paradigm). The eleven projects are covered by 14 Tenements and held by two wholly-owned subsidiaries of Paradigm (Paradigm NSW Pty Ltd, and Paradigm Queensland Pty Ltd). Their locations are shown on Figure 1. The subsidiary companies were transferred to Paradigm in exchange for reimbursement of certain loans. Each of the Tenements is subject to a Net Smelter Royalty (NSR) interest of 2% for metals and a Gross Overriding Royalty (GOR) of 2% for diamonds (see Section 9.1).

2.2 Objectives and Strategies of Paradigm

2.2.1 Mission

The Mission of the Company is to create shareholder wealth through the discovery of world-class gold and copper deposits in eastern Australia.

2.2.2 Strategies

Paradigm plans to maximise the chances for exploration success by applying the following strategies:

- Focus on potential porphyry targets. Porphyries have characteristic alteration 'footprints' which may be used to guide drilling programmes.
- Explore in proven mineral provinces under thin cover, where the economic potential has not been recognised or tested by previous explorers.
- Apply new data tools and exploration technology that has become available in recent times.
- Maximise expenditure into the ground through drilling. The aim will be to drill-test all targets within two years of the IPO.
- Keep costs low by using contracted geoscience professionals and keeping overheads to a minimum.

2.2.3 Exploration Focus

Paradigm contends that the potential for hidden deposits under basalt and other thin cover rocks has not been fully investigated in eastern Australia. This view is supported by the lack of previous exploratory drilling undertaken on a number of the Company's projects.

Paradigm targets generally were chosen and acquired where most of the following favourable geological features coincide:

- rock units known to host significant mineralisation elsewhere in the region;
- areas covered by thin veneers of cover rock, commonly Tertiary basalt (less than 150 m);
- intersections of major geological structures interpreted from aeromagnetic data;
- geochemical anomalies from existing data that are consistent with possible large-scale gold or copper-gold mineralisation; and
- alteration systems characteristic of mineralised deposits.

Porphyries Around the World

The Company will focus its exploration efforts towards the discovery of large gold-copper deposits associated with igneous intrusions, the so-called 'porphyry' deposits and their near-surface 'epithermal' relatives. These deposits form many of the world's largest and most profitable copper and gold mines. These deposits are especially well known around the Pacific 'ring of fire' in countries such as Chile (eg. Chuquicamata, Escondida), Peru (Yanacocha, Cuajone, Toquepala), Indonesia (Grasberg) and Papua New Guinea (Bougainville, Ok Tedi, Lihir). Important examples are also known in the USA (Bingham), Mexico (Cananea) and the Philippines (Baguio).

Porphyry deposits, because of their large size and frequent occurrence are a major source of world copper, providing over half of world production and accounting for almost 60% of the known resource inventory.

World copper distribution by deposit type (Mt)

Porphyry	Sediment-hosted copper	Massive sulphide	Olympic Dam	Other
870	355	80	32	181

Data from Economic Geology vol 90. "World Class Base and Precious Metal Deposits – a Quantitative Analysis" by D.A.Singer, 1995

Production costs are often in the lowest quartile for these large deposits because of their amenability to inexpensive bulk-tonnage operations, either in open pits (e.g. Escondida, Yanacocha) or bulk underground methods like sub-level or block caving (e.g. Ridgeway). Both porphyry and epithermal deposits contribute a significant portion of world gold. Three bulk-mineable epithermal deposits currently have reserves in excess of 15 million oz each – Yanacocha (Peru), Lihir (Papua New Guinea), and Pascua-Lama (Chile-Argentina). Also, vein-hosted low-tonnage epithermal deposits which tend to be relatively small are low-cost producers because of their generally high head grades (e.g. El Peñon, Chile; Pajingo-Vera-Nancy, Qld).

Porphyry deposits are large, have characteristic alteration haloes, occur in clusters, and mineralisation may be controlled by structures that can be recognised in geophysical datasets.

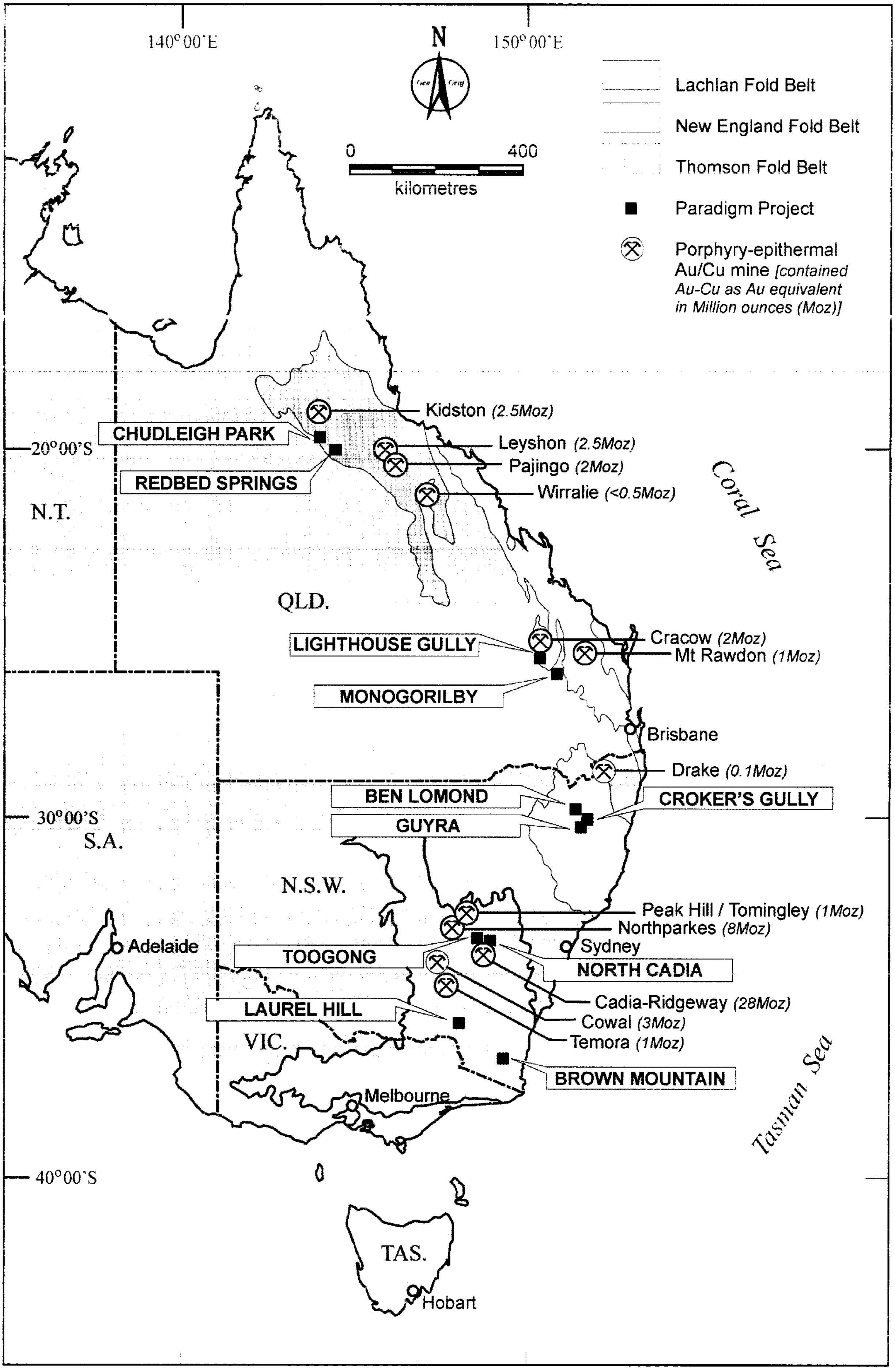


FIGURE 1. Project Location Map

Porphyries in Australia

The Lachlan, New England and Thomson Fold Belts extend along eastern Australia from Victoria to Cape York (Figure 1). Although these geological units host numerous types of mineralisation, porphyry- epithermal style mineralisation provides the production and resources at the following important mines and prospects:

Deposit	Type	Contained metal (approx)*
Cadia/Ridgeway, NSW	Porphyry	18 million oz gold, 2 Mt copper
Northparkes, NSW	Porphyry	2 million oz gold, 1.5 Mt copper
Cowal, NSW	Porphyry	3 million oz gold
Kidston, QLD	Porphyry-breccia	2.5 million oz gold
Mt Leyshon, QLD	Porphyry-breccia	2.5 million oz gold
Mt Rawdon, QLD	Porphyry	1 million oz gold
Tomingley, NSW	Porphyry	~ 0.5 million oz gold
Pajingo, QLD	Epithermal	2 million oz gold
Cracow, QLD	Epithermal	1.6 million oz gold
Temora, NSW	Epithermal	0.7 million oz gold
Peak Hill, NSW	Epithermal	0.7 million oz gold

* Total endowment = current inferred resource and past production

Porphyry and epithermal deposits in eastern Australia formed at a time when a volcanic arc was active along the eastern Australian margin, associated with the intrusion of magmas into the upper crust. The generalised architecture of these deposit types and their relationships to each other are shown in the schematic cross-section (Figure 2). Epithermal deposits are subdivided into 'high-sulphidation' and 'low-sulphidation' types; the former lie immediately above or on top of the porphyry deposits, while the latter typically form veins in a more distal volcanic setting.

New discoveries in recent times are indicative of the gold-copper potential of the Lachlan Fold Belt. Cadia-Ridgeway in central NSW is a very large deposit in world terms, with a resource of 18.4 Moz Au, 2.2 Mt Cu (Newcrest, April 2003). Recent finds at Cadia Far East and Ridgeway Deeps by Newcrest, and at Tomingley by Alkane Resources, point to the untapped potential and the likelihood of future successes with persistent exploration.

Despite the favourable geological environment, Australia is relatively under-represented in porphyry deposits hosting less than 0.5% of known copper in all porphyries worldwide (Singer, 1995). There are also relatively few epithermal deposits in Australia. Paradigm believes that the lack of discoveries is, in part, due to deep weathering of relatively old Paleozoic terrains and extensive young cover rocks. Prospective terrains

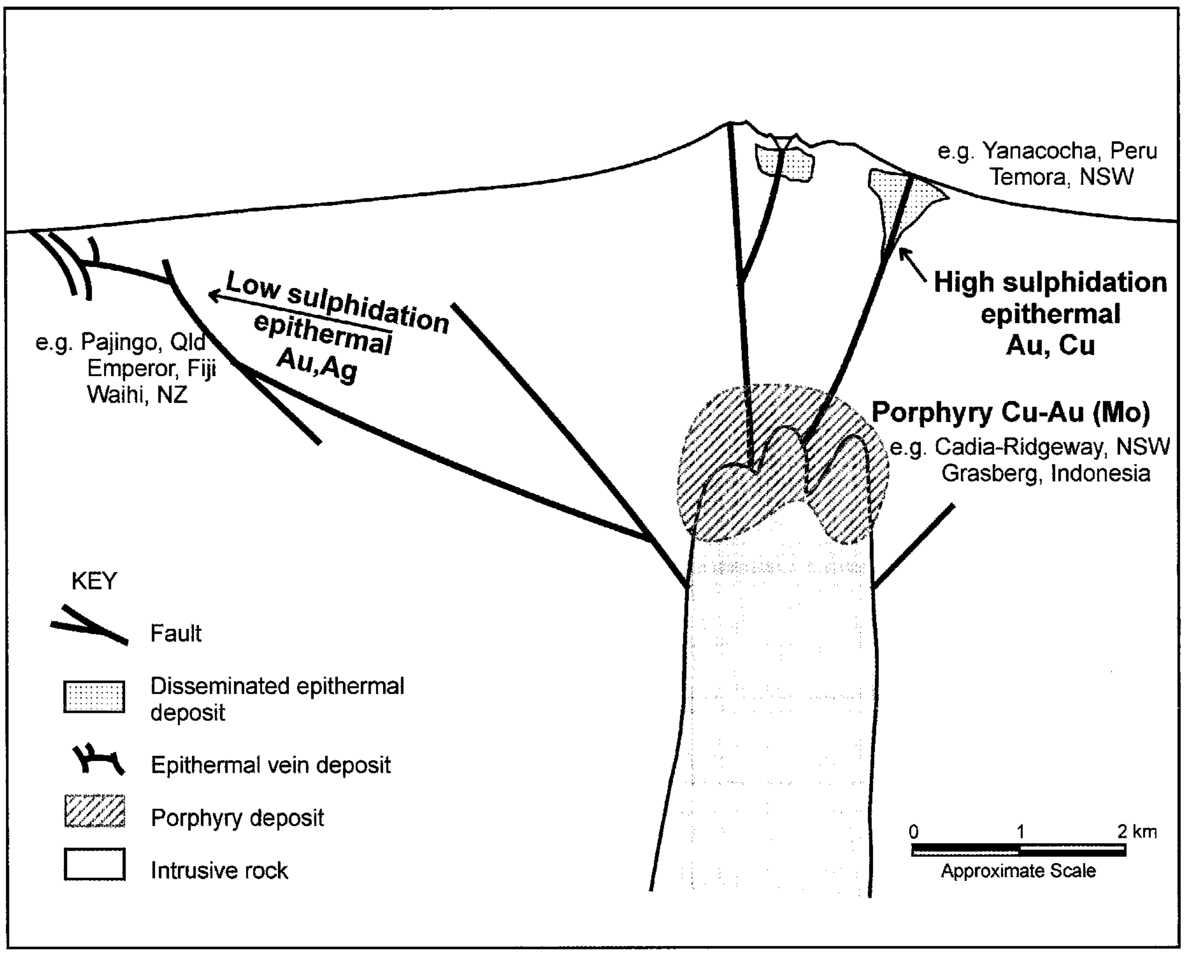


FIGURE 2. Schematic representation of porphyry and epithermal deposits (Modified from Resource Geology Special Publication Number 1. 'Epithermal Gold Deposits: Styles, characteristics, and exploration' by Hedenquist, Izawa, Arribas and White, 1996).

are often covered by transported alluvium, or in some cases, by thin blankets of younger Tertiary volcanic rocks – usually basalts. Of the six Paleozoic deposits in eastern Australia which contain 6 Moz or more, five of these deposits occur within 25 km of much younger volcanic cover. Three of the biggest deposits lie within 5 km of Tertiary volcanic successions, while basalt partially overlies many of the largest deposits (e.g. Cadia-Ridgeway, Ballarat).

Paradigm has recognised this spatial association and has developed a hypothesis that the major geological structures which control the emplacement of the porphyries may reactivate to focus igneous activity at a much later geological time. This reactivation may have preferentially covered the deposits with thin basaltic lavas during the Tertiary period. This hypothesis is supported by the fact that some deposits were found in areas where the basalts have eroded away. Paradigm considers that there is considerable untested potential remaining under the basalts.

To date, prospective rocks under the basalts have been virtually ignored by previous explorers, except where the mineralised bodies plunge or dip under the cover. Paradigm plans to take advantage of this opportunity, and explore targets which in some instances are fully covered by overburden.

The depth of cover is not likely to unduly hinder exploration or the economic potential of large porphyry deposits in these areas - drilling has shown the basalt to be less than 150 m thick and in some cases much less. Deposits like Ridgeway and Northparkes are likely to be economic if found under these depths of cover. Indeed, the top of the Ridgeway orebody is 400 m beneath the surface, and it was only persistent drilling by Newcrest that led to its discovery. Northparkes is a substantial underground mine.

2.3 Paradigm's Projects

2.3.1 Location and Description

Paradigm's exploration projects are located in eastern New South Wales and Queensland within the Lachlan, New England and Thomson Fold Belts (Fig 1).

The **North Cadia** project located less than 10 km from the Cadia-Ridgeway mine in NSW, has the potential to be one of a cluster of porphyries linked to the Cadia-Ridgeway system. Analogies with Cadia-Ridgeway extend to similar host rocks and a juncture of key lineaments/faults interpreted from magnetic data. Fractured and altered volcanic rocks encountered in a drill hole are gold-anomalous, consistent with being close to a mineralised porphyry. The next stage of exploration requires further step-out drilling to establish the potential of the mineralised system.

At **Guyra** in the New England Fold Belt 400 km north of Sydney, a mineralised porphyry is exposed in a small basalt 'window' which was not fully tested by previous explorers. The porphyry prospect has widespread anomalous copper with minor gold at the surface. The exposed porphyry occurs as dikes intruding Carboniferous sediments associated with pervasive hydrothermal alteration and base-metal mineralisation related to quartz stockwork veining. Significant areas of leach capping were not tested and the porphyry system is open under thin basalt cover to the west, north, and south.

At **Brown Mountain** in south-eastern NSW, gossans hosted by volcanic rocks not previously drilled have values up to 2.4 m @ 16 g/t gold in chip sampling by a previous explorer.

The **Laurel Hill** project is located 25 km south of Adelong NSW, the latter having produced over 1 Moz gold from granite-hosted veins. Deep lead gold production from around Laurel Hill - Tumbarumba is reported as over 100,000 oz. The source of part of this gold is believed by Paradigm to be restricted to an area of basalt cover inside the Paradigm Tenement.

At **Toogong** 250 km west of Sydney, deep lead gold workings and stream sediment anomalies are clustered in a zone coincident with the intersection of the two regional geological structures.

At **Croker's Gully** also in the New England Fold Belt, a source for the abundant alluvial gold in creeks and rivers within the area has never been located. Gold anomalous chip samples taken from a previous explorer are known from the Croker's Gully area, and require follow-up.

The **Redbed Springs** project is located 250 km west of Townsville in north Queensland. Epithermal-style pervasive alteration occurs over a wide area at Tag Alley, with drill intersections from a previous explorer returning values up to 28 m @ 0.3 g/t gold. Significant potential exists for large zones of higher grade mineralisation under thin cover away from outcropping areas.

The **Monogorilby** area is located 250 km northwest of Brisbane in southeast Queensland. Skarn-style mineralisation is known from the Allied Creek prospect, where surface samples have returned economic-grade gold and base-metal values in work completed by previous explorers around old mine workings.

The **Lighthouse Gully** project is located 40 km south of the low sulphidation epithermal gold veins at Cracow in southeastern Queensland and is believed to have similar potential. Anomalous gold is reported in stream sediments draining an area covered by Mesozoic rocks. Coincident magnetic anomalies require drill testing.

The **Chudleigh Park** and **Ben Lomond** projects are more 'grass-roots' and will require surface geophysical and/or geochemical programmes prior to drilling.

2.3.2 Tenement Detail

Full details of the maximum and minimum planned expenditures on the projects is detailed in section 3.5.

The following table sets out details pertaining to each of Paradigm's tenements.

Tenement Number	Name	Location	Status	Grant Date	Expiry Date	Required Expenditure up to Grant Anniversary
EL 5963	North Cadia (1)	NSW	granted	10-07-02	09-07-04	$27,500
EL 5976	Guyra	NSW	granted	27-08-02	26-08-04	$43,000
EL 5980	Brown Mountain	NSW	granted	29-08-02	28-08-04	$31,500
EL 5981	Laurel Hill	NSW	granted	29-08-02	28-08-04	$35,000
EL 5996	Ben Lomond	NSW	granted	23-09-02	22-09-04	$35,000
EL 6028	North Cadia (2)	NSW	granted	02-12-02	01-12-04	$24,000
EL 6056	Toogong	NSW	granted	20-02-03	19-02-05	$32,000
EL 6117	Croker's Gully	NSW	granted	19-08-03	18-08-05	$28,000
EPM 13655	Redbed Spring	QLD	granted	08-05-02	07-05-07	$50,000
EPM 13651	Chudleigh Park	QLD	granted	08-05-02	07-05-07	$50,000
EPM 13700	Reedy Springs	QLD	granted	04-12-02	03-12-07	$40,000
EPM 13877	Monogorilby	QLD	granted	14-05-03	13-05-06	$40,000
EPM 13878	Lighthouse Gully	QLD	granted	16-04-03	15-04-06	$40,000
EPM 14083	Monogorilby East	QLD	application			$30,000

2.3.3 Proposed Exploration Programmes and Budgets

Funds raised in the Offer will be expended on the Company's planned exploration programmes, the costs of the Offer and the provision of working capital as follows:

	Minimum ($)	Maximum ($)
Two year exploration budget	2,300,000	3,725,000
Two year administration budget	800,000	800,000
Capital raising and listing costs	400,000	475,000
Total	**3,500,000**	**5,000,000**

Full details of the proposed exploration programmes are set out in Section 3 of this Prospectus.

2.4 Independent Geologist's Assessment – A Summary

The full text of the Independent Geologist's Report is included with this Prospectus at Section 5. The author of the report, Mr Gary J. Jones of Geonz Associates Ltd, is a qualified geologist with over 35 years' experience in mineral exploration. Mr Jones is credited with the discovery of the Northparkes porphyry copper-gold deposits in central New South Wales while employed as Supervising Geologist, NSW, with Geopeko, a division of Peko Wallsend Limited.

Key features of Paradigm's projects are encapsulated in the following relevant extracts from that report:

- "All of the properties are located in the highly prospective Paleozoic fold belt terrains of New South Wales and Queensland that have an extensive and on-going history of the discovery and development of major world-class gold and copper-gold deposits."
- "Some have promising targets that have emerged from preliminary drilling, sampling….."
- "…..others have targets that are more conceptual and based on regional interpretation…"
- "The North Cadia Project near Orange, and the Guyra Project on the New England Tableland, are the two cornerstone Paradigm projects."
- "Preliminary drilling by the Company has enhanced the potential for the discovery of major porphyry-style copper-gold deposits at [North Cadia and Guyra]."
- "Historical alluvial gold and deep lead workings in the [Laurel Hill and Toogong project] areas indicate potential for the discovery of a hard rock source under the basalt outliers."
- "...gold and base metal bearing massive sulphides are known from shallow depth in some of the old workings at the Bull Mountain prospect [part of Brown Mountain project]."
- "Paradigm's four Queensland projects are all located in regions widely recognised as significant provinces for the development of both epithermal and porphyry / breccia related gold deposits."
- "...the [Paradigm] programs rely heavily on drilling at an early stage because of the basalt and younger sedimentary cover."

The reader should refer to the whole report which is shown at Section 5.

2.5 Financial Profile

2.5.1 Pro Forma Statement of Financial Position

The pro forma consolidated statement of financial position as at 30 June 2003, as set out below, has been prepared as if the Offer was completed.

	Minimum Subscription $000	Maximum Subscription $000
ASSETS		
Cash	3,270	4,695
Other	95	95
TOTAL ASSETS	**3,365**	**4,790**
LIABILITIES		
Accounts Payable	(17)	(17)
NET ASSETS	**3,348**	**4,773**
EQUITY		
Share Capital	3,646	5,071
Accumulated Losses	(298)	(298)
TOTAL EQUITY	**3,348**	**4,773**

2.5.2 Other Financial Commentary

Paradigm is a start-up operation that was formed as a "spin off" from Paradigm Geoscience.

Initial capital of $211,829 was raised from the Initial Shareholders by December 2002, primarily for tenement maintenance and for the completion of reconnaissance field exploration work including percussion drilling on two of the projects. All initial capital was expended to upgrade the projects.

In May 2003 a further $276,320 was raised to cover the consolidation and acquisition of tenure including tenement bonds, together with funding of this Prospectus.

Founders and initial seed capital providers subscribed for 14,681,240 Shares. Subsequent seed capital providers subscribed for 3.817,604 Shares with 1,908,802 Options.

Advisers and consultants have been issued 633.334 Shares and 166,667 Options for services rendered prior to the IPO.

3.1 Summary of the Offer

Paradigm offers for subscription a minimum of 17.5 million Shares and a maximum of 25 million Shares at an issue price of $0.20 per Share, to raise $3.5 million to $5 million.

3.2 Minimum Subscription

The Company intends to proceed with the IPO if the amount raised meets the minimum subscription level of $3.5 million. No Shares will be allotted under this Prospectus until the minimum subscription for the Shares has been reached. If the minimum subscription has not been reached within three months after the date of the Prospectus, Applications and Application Monies will be dealt with in accordance with the Corporations Act. In essence, the Application Monies will be refunded to Applicants without interest.

3.3 Capital Structure

The table below illustrates the holdings of Shares and Options before and after the IPO.

Minimum subscription of $3.5 million

	Shares	Options
Initial Shareholders	14,681,240	nil
Seed Capital Providers, advisers and consultants	4,450,938	2,075,469
Shares and Options on issue at the date of the Prospectus	19,132,178	2,075,469
Options to Advisers	-	400,000
Offer Shares and Options	17,500,000	8,750,000
Total Securities on Issue	36,632,178	11,225,469
Market Capitalisation at Offer Price (undiluted)	**$7.33 million**	

Maximum subscription of $5 million

	Shares	Options
Initial Shareholders	14,681,240	nil
Seed Capital Providers, advisers and consultants	4,450,938	2,075,469
Shares and Options on issue at the date of the Prospectus	19,132,178	2,075,469
Options	-	400,000
Offer Shares and Options	25,000,000	12,500,000
Total Securities on Issue	44,132,178	14,975,469
Market Capitalisation at Offer Price (undiluted)	**$8.83 million**	

All Options are exercisable at $0.25 each at any time up to and including 18 May 2008. The terms of the Options are set out in Section 10.6.

The majority of Shares and all Options, other than those being offered under the Prospectus, are likely to be classified by the ASX as restricted securities and so will be subject to trading restrictions. See Section 10.14 for details of likely terms of these restrictions.

3.4 Oversubscriptions

The Directors reserve the right to accept oversubscriptions for an additional $1,500,000 to raise a total of $5,000,000 by issuing up to an additional 7,500,000 Shares at the Offer Price, plus an additional 3,750,000 attaching Options.

3.5 Source and Application of Funds

Funds raised from the issue of Shares in the IPO will be used by the Company for exploration expenditure, administration, general working capital and capital raising costs. The Company has planned a two year exploration budget.

Approximately two-thirds of the funds raised in this IPO are ear-marked for drilling and related activities on existing Paradigm projects.

The Company will keep overheads to a minimum to retain funds for expenditure into the ground, thereby increasing the chances of discovery. In brief, the funds will be used for:

- Drilling of up to ten percussion holes on each of the Company's highest priority targets during the early exploration stage. Subject to rig availability and access negotiations, drilling of two projects will begin within weeks of the IPO completion;
- Geological mapping and ground geophysical programmes on projects where detailed drill targets are yet to be defined;
- Follow-up percussion drilling on prospects that have resource potential. Diamond tails will be completed on drill holes believed to have deep potential and to improve geological control;
- Assessing other opportunities in eastern Australia as they present themselves for possible acquisition, depending on funds and priorities;
- Meeting corporate administrative costs and cover the costs of the Offer; and
- Establish a small office base in Sydney.

The table below shows a planned two year exploration budget for each of the projects assuming $3.5 million is raised pursuant to this Prospectus. Oversubscriptions up to $1.5 million will be accepted in the Offer. The additional funds (up to a maximum of $1.5 million) will be used to:

- Complete additional drilling of the Company's highest potential projects beyond that shown in the budget below;
- Give the Company flexibility to explore for a longer period of time; and
- Increase the project portfolio as required.

The use of funds for these purposes is contingent upon progressive results being favourable. While the Directors believe that the funds raised pursuant to the Prospectus will be sufficient to provide the Company with working capital to meet its stated objectives, they reserve the right to apply the funds of the Company for the above purposes or for related or other purposes as circumstances dictate. The final allocation of funds may vary from the above depending upon the circumstances in which the business develops and operates.

Following the IPO, the Company will have on issue between 11.2 million and 15 million Options which, if exercised prior to their respective expiry dates, would raise between $2.8 million and $3.75 million. Whether those Options are exercised will depend on a number of factors including the price at which the Company's shares trade and investor perception of the Company's prospects from time to time. Additional funds that may be raised as a result of Optionholders exercising Options will augment the Company's working capital.

In the initial years when the Company is establishing and developing its business, there will be no payment of dividends.

The following table sets out the exploration budget (on basis of $3.5 million IPO raising).

PROJECT	OBJECTIVE	PROPOSED PROGRAMME	YEAR 1 ($000)	YEAR 2 ($000)	TOTAL ($000)
North Cadia NSW	Ascertain the economic porphyry potential under the basalt cover. Test magnetic and geochemical anomalies	Drill 2000 m of reverse circulation percussion (RCP) at the Giles prospect. Possible ground geophysics (IP) to delineate additional targets.	300	300	600
	with wide-spaced and later infill drilling	Follow-up drilling in year 1 (2000 m) and year 2 (3000 m)			
Guyra, NSW	Test economic potential of known Cu-Au porphyry system inside exposed window, and test for extensions under cover	Drill 1000 m of rotary air blast (RAB) or RCP within known porphyry. Ground-based magnetics to improve detailed targeting. Follow-up RCP drilling in year 1 (1000 m) and year 2 (2000 m)	160	140	300
Brown Mt, NSW	Delineate potential of gold and base-metal mineralisation under gossans and possible extensions under cover	Drill several holes to test gossans and northern geochemical anomaly, depending on access. Follow-up drilling as required	70	80	150
Laurel Hill, NSW	Determine potential of deep-lead and alluvial gold source south of Adelong	Drill several percussion holes after completion of geophysical programme, with follow-up drilling as required	40	100	140
Toogong, NSW	Determine gold potential of magnetic anomalies, deep-lead gold and stream geochemical anomalies	Lines of RAB drilling planned to test geochemical anomaly. Follow-up percussion drilling and possibly also ground geophysical surveys	40	60	100
Crokers Gully, NSW	Identify and delineate potential of known alluvial and hard-rock gold occurrences	Initial prospecting and possible ground geophysics. Aim to drill-test a zone shedding gold into streams and containing anomalous rock samples	25	60	85
Ben Lomond, NSW	Ascertain porphyry potential beneath basalt cover	Conduct ground-based geophysical programmes over areas of thin cover (year 1), and possible percussion drilling (year 2)	25	40	65
Lighthouse Gully, QLD	Delineate economic potential of known alteration and magnetic anomalies under cover	Drill several wide-spaced percussion holes to test geochemical anomalies and alteration zone (year 1). Additional drilling as required (year 2)	75	120	195
Redbed Spring, QLD	Determine potential for economic mineralisation at Tag Alley prospect and magnetic anomalies under cover	Several wide-spaced drill holes are planned to test magnetic targets and alteration in volcanic rocks (year 1). Additional drilling depending on results of year 1	75	100	175
Monogorilby, QLD	Drill-test magnetic anomalies under cover, and known skarn outcrops	Drill a large magnetic anomaly at Monogorilby, and area of skarn near old workings at Monogorilby East (year 1). Follow-up drilling as required	70	60	130
Chudleigh Park, QLD	Outline potential for economic vein and breccia style mineralisation	Prospecting and mapping around outcropping epithermal veins, and drilling if warranted	50	50	100
Contingency			70	190	260
		TOTAL EXPLORATION BUDGET	**1,000**	**1,300**	**2,300**

3.6 When to Apply

The Offer is expected to open on 3 October 2003 and to close at 5.00 p.m. Sydney time on 31 October 2003, subject to the right of the Company to close the Offer earlier or to extend the closing time and date of the Offer without notice.

The Opening Date of the Offer may be extended by the period, if any, of any extension required by ASIC under Section 727(3) of the Corporations Act.

Investors are encouraged to submit their Applications as early as possible after the Offer opens as it may close at any time thereafter without notice.

3.7 How to Apply

Applications for Shares under the Offer can only be made by completing the Application Form accompanying this Prospectus.

An Application must be completed in accordance with the instructions set out in the Application Form. Applications must be for a minimum of 10,000 Shares at a total cost of $2,000. Applications for more than 10,000 Shares must be in multiples of 2,000 Shares.

Applications must be accompanied by a cheque, in Australian dollars, for a total of $0.20 per Share applied for. Cheques must be made payable to "Paradigm Gold Limited Float Account" and crossed "Not Negotiable". A payment by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. No stamp duty or brokerage is payable by Applicants. The amount payable on application will not vary during the period of the Offer and no further amount is payable on or after allotment in respect of the Offer Shares.

Completed Application Forms and accompanying cheques must be lodged with Baron Partners Limited, or the Share Registry, whose addresses are shown in the Corporate Directory in this Prospectus.

A binding contract for the issue of Shares will only be formed at the time Shares are allotted to an Applicant. The Application Form does not need to be signed to be a binding application.

An Application for Shares may not be withdrawn after lodgement unless the Applicant is permitted to withdraw the Application Form following the issue of a replacement or supplementary disclosure document in accordance with the Corporations Act.

3.8 Allocation of Securities

The Directors will proceed to allot Shares as soon as possible after the close of the Offer, once the amount determined to be raised pursuant to the Prospectus has been received and the Company has received ASX permission for official quotation of the Shares unconditionally or on conditions acceptable to the Directors. The Directors reserve the right to allocate to any Applicant a lesser number of Shares than the number applied for or to decline any Application. Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for, surplus Application Monies will be returned to the Applicant within 45 days of the Closing Date. No interest will be paid on refunded Application Monies.

The Company will forward all Application Forms it receives to Baron Partners Limited.

Pending the allocation of Shares offered by the Prospectus, the Company will deposit all Application Monies received into a separate bank account and hold them in the account on trust for so long as the monies, or any part of them, are liable to be repaid in accordance with the Prospectus and the general law. This account will be established and kept by Baron Partners Limited on behalf of the Applicant.

Successful Applicants will be notified in writing of the number of Shares allotted to them as soon as practicable after allocations have been made following the close of the Offer.

It is the responsibility of Applicants to confirm the number of Shares allotted or transferred to them prior to trading in the Shares. Applicants who sell Shares before they receive notification of the number of Shares allocated to them do so at their own risk.

3.9 Underwriting and Broking Particulars

The Offer is not underwritten. The Company reserves the right to pay any licensed securities dealers a lodgement fee of up to 5% with respect to valid and accepted Applications bearing the stamp of those dealers.

3.10 No Issue of Securities After 13 Months

No securities will be allotted or issued on the basis of this Prospectus later than its expiry date, being the date 13 months after the date of the Prospectus.

3.11 ASX Listing

Application will be made to ASX within seven days of the date of this Prospectus for Paradigm to be admitted to the Official List of ASX and for official quotation of the Shares and the Options.

The fact that ASX may admit the Company to its Official List is not to be taken as an indication of the merits of the Company or the Shares and Options being issued. ASX, its officers and employees take no responsibility for the contents of the Prospectus or the reports that it contains.

If application for official quotation is not made within seven days after the date of this Prospectus or permission for official quotation is not granted by ASX within three months after the date of this Prospectus, none of the Shares and Options offered under the Prospectus will be allotted unless an exemption from this three month time restriction is granted by ASIC permitting such allotment. If no allotment is made, all Application Monies will be refunded without interest to Applicants within the time period prescribed under the Corporations Act.

3.12 Restricted Securities

As a condition of granting official quotation of the Shares and Options, the ASX may classify certain Shares and Options as restricted securities. In this event, the holders of Shares and Options to be classified as restricted securities will be required to enter into appropriate agreements with the Company in regard to these restrictions. See Section 10.14 for details.

3.13 CHESS (Clearing House Electronic Sub-Register System)

The Company will apply to participate in CHESS. ASX Settlement and Transfer Corporation Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the Securities Clearing House Business Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of securities.

The Company will not issue certificates to Shareholders. Instead, as soon as practicable after allotment, Applicants who elect to hold their Shares on the issuer sponsored sub-register will be provided with a holding statement, similar to a bank account statement, which sets out the number of Shares allotted to them.

CHESS (acting on behalf of the Company) will provide holders of Shares with a holding statement that confirms the number of securities so recorded in the name of that holder.

Following distribution of these initial holding statements to successful Applicants, an updated holding statement will be provided at the end of any subsequent month during which the balance of an investor's holding of Shares changes. Holders of Shares may request a statement at any other time. A holding statement (whether issued by the Company or by CHESS) will also provide details of a Shareholder's Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Securityholder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

3.14 Overseas Shareholders

The distribution of the Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law, and persons into whose possession the Prospectus comes should seek advice on and observe any restriction. Failure to comply with any restriction may constitute a violation of local securities laws.

The Prospectus does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer. The Prospectus may not be supplied to the public in any jurisdiction outside the Commonwealth of Australia in which any registration, qualification or other requirement exists with respect to any public offering of securities.

3.15 Investors' Questions

Investors with questions on how to complete the Application Form or who require additional copies of the Prospectus should contact Registries Limited on (02) 9290 9600.

3.16 Electronic Prospectus

This Prospectus (without the Application Form) may be viewed and downloaded from www.paradigmgold.com.au during the Exposure Period. After the Exposure Period, the Prospectus with Application Form will be available on-line, although Application Forms may not be lodged electronically, and must be mailed or delivered to the Share Registry or Baron Partners Limited. The Offer is only available to persons receiving an electronic version of the Prospectus in Australia. Hard copies of the Prospectus and Application Form are obtainable by contacting the Share Registry on (02) 9290 9600.

3.17 Financial Prospects and Risks

The Company is a start up with no track record and no existing customers. Revenue and profitability for the Company is dependent on, among other things, exploration and development success, commodity prices, the ability of the Company to secure satisfactory commercial arrangements for the development of any project, and the current and future regulatory environment in which the Company operates.

In view of these factors, the Directors consider that they are unable to provide potential investors with reliable revenue or profit projections or forecasts.

Investors should be aware that an investment in Paradigm is speculative, particularly in light of the Company's lack of trading history and other risks, including technical, regulatory and competitive risks. Further details of risk factors are set out in Section 8.

Investors who would not normally invest in a speculative company should consider carefully whether an investment in Paradigm is an appropriate investment for them, given the high level and nature of the risks involved.

These risks include:

Stock Market Fluctuations	Commodity Price
Exploration	Tenure Rights
Operational	Financing
Land Access and Native Title	Insurance
Environmental	Loss of Management
Growth	

Section 8 of the Prospectus contains further details about each of these risks.

4. Board of Directors

The Board is widely experienced, with a successful track record in both mining and exploration projects worldwide. Most of the Paradigm team held key board and management roles in Savage Resources Limited (Savage), an Australian company which grew from a small resources group in 1991 to a mid-sized copper-gold and coal mining company by 1999. Directors' profiles are as follows:

Richard Austen

Non-Executive Chairman, age 74

Mr Austen has a strong background in mining – he was co-founder of Austen and Butta Limited in 1950. In 1982 he was awarded an AO for services to the coal mining industry. He has been Chairman of a number of public companies and for nine years between 1984 and 1993 was Chairman of the Australian Meat and Livestock Corporation. From 1979 to 2000 he was an Australian representative and is a past Chairman of the Coal Industry Advisory Board of the International Energy Agency. He was Chairman of Savage until its takeover by Pasminco Limited (Pasminco) in 1999.

Graham Carman

Managing Director, age 40

Dr Carman graduated with a Bachelor of Science (Hons) from Victoria University of Wellington, New Zealand, in 1986. He spent several years exploring for gold in Western Australia, North Queensland and Lihir Island in Papua New Guinea, completing a PhD at Monash University in 1994. He was six years exploring for gold-copper and zinc deposits in Peru, firstly with Rio Tinto and then as Exploration Manager of Savage (latterly Pasminco) until 2000. Several significant discoveries of gold and base-metals were made during this time. Dr Carman returned to Australia to run the exploration efforts of Pasminco in Australia. He currently resides in Melbourne.

John Gaskell

Non-Executive Director, age 59

Mr Gaskell was Managing Director of Savage until March 1999, when it was taken over by Pasminco for $455 million. He played a leading role in the growth of Savage from 1992 and he was involved in establishing Savage's ownership of the Ernest Henry gold-copper mine in Queensland, the acquisition by Savage of the zinc mines and refinery in Tennessee and the development of Savage's exploration in North and South America. Mr Gaskell graduated as a geologist from the University of Leeds in 1966 and since then has been involved in the exploration industry world-wide in a number of public and private companies. He currently lives in Sydney and works as a consultant.

Stephen Lonergan

Non-Executive Director, age 57

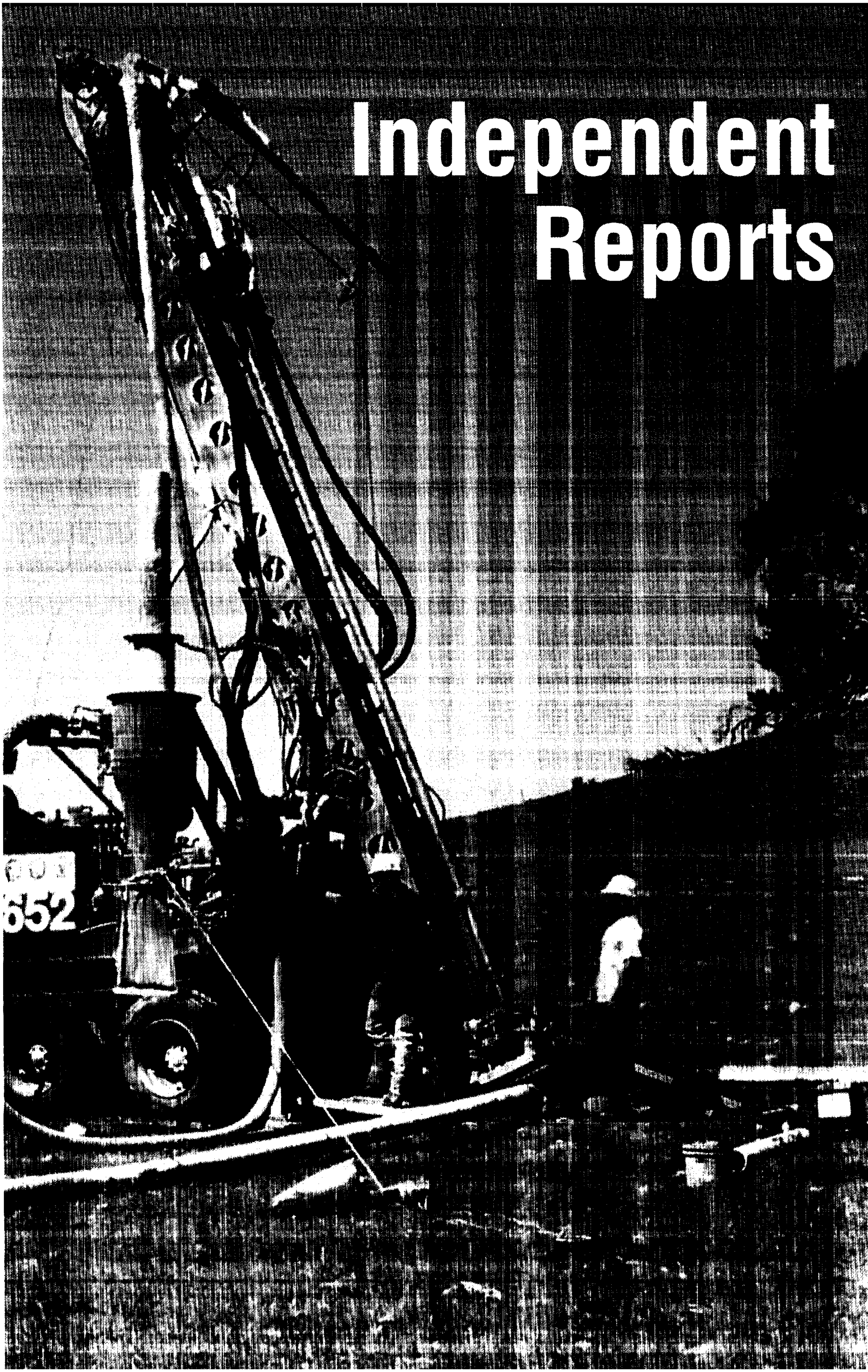
Mr Lonergan is a commercial lawyer based in Sydney. He has some 25 years' experience in the Australian and international mining industry having been General Counsel of the Pancontinental Mining Group, a partner in the law firm Baker and McKenzie, Sydney, and General Counsel and Company Secretary of Savage. Mr Lonergan is an Honours graduate in law from the Australian National University and holds a Masters degree in law from McGill University, Montreal.

Ray Soper

Non-Executive Director, age 57

Mr Soper is a Mining Engineer (MBA) with 36 years of resource industry experience including mine design and operations, metallurgy, project development, project finance, corporate strategy, investment and exploration. He has worked with MIM, Renison Gold Fields, Peko Wallsend, McKinsey and Resource Finance Corporation. Mr Soper is a director of several resource and exploration companies. He has current and past involvement in the development of several resource projects.

Independent Reports



GEONZ ASSOCIATES LTD

CONSULTING GEOLOGISTS

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18 September 2003

The Directors,
Paradigm Gold Limited,
Suite 204, 161 Walker Street,
NORTH SYDNEY NSW 2060

Dear Sirs,

Independent Technical Report on Paradigm Gold Limited's Mineral Project Interests

Introduction

Paradigm Gold Limited ("Paradigm") has commissioned Geonz Associates Ltd ("Geonz") to prepare an independent technical assessment report on mineral exploration projects held by the Company in eastern Australia. The report has been prepared for inclusion in a Prospectus dated on or about 19 September to be issued by your Company and to be lodged with the Australian Securities and Investment Commission. The Prospectus is for the raising of $3.5 million through an initial public offering of 17,500,000 fully paid Ordinary Shares of $0.20 par value each together with approximately 8,750,000 free Options to subscribe for Shares in Paradigm under terms detailed elsewhere in this Prospectus. The Shares are intended to be listed on the Australian Stock Exchange.

The sole and restricted purpose of this report, which forms part of your Company's Prospectus, is for use by those persons who are entitled to receive a copy in relation to the issue of securities, and it should not be relied upon by other persons, or used for any other purpose.

Executive Summary

Paradigm is the owner of a portfolio of exciting exploration projects situated in eastern Australia and within close proximity to existing infrastructure. All of the properties are located in the highly prospective Paleozoic fold belt terrains of New South Wales and Queensland that have an extensive and on-going history of the discovery and development of major world-class gold and copper-gold deposits. In New South Wales the Lachlan Fold Belt ("LFB") has provided continuous exploration success since 1977 with major economic porphyry copper-gold discoveries at Northparkes, Cadia, Cowal and Ridgeway. The exploration potential of the LFB has been further reinforced by the recent announcement by Alkane Exploration Ltd of the discovery of a significant new porphyry-style deposit at their Wyoming Prospect at Tomingley, 17 km north of Peak Hill.

In the main Paradigm has selected project areas that are prospective for porphyry-style deposits and/or have potential for epithermal style mineralisation. The projects are all at an early stage of exploration. Some have promising targets that have emerged from preliminary drilling, sampling and reviews of previous company open file data, and others have targets that are more conceptual and based on regional interpretation by experienced Paradigm geologists. All of the project areas were identified using the latest regional geophysical data sets and are overlain to varying degrees by thin basalt and/or younger sedimentary cover that masks the underlying older prospective bedrock. In general these areas are under-explored as past explorers have often been deterred by the consolidated nature of the cover rocks.

The North Cadia Project near Orange, and the Guyra Project on the New England Tableland, are the two cornerstone Paradigm projects. Preliminary drilling by the Company has enhanced the potential for the discovery of major porphyry-style copper-gold deposits at both localities.

The North Cadia project is located approximately 5 km to the north of the world-class Cadia and Ridgeway deposits currently being mined by Newcrest Mining Limited ("Newcrest") and with combined reserves of 251 million tonnes at 0.99 g/t gold and 0.27% copper. Total resources for all of the Cadia Valley deposits are currently 806 million tonnes at 0.80 g/t gold and 0.32% copper. The Late Ordovician co-magmatic volcanic and intrusive suite that is host to the mineralisation at Cadia has been interpreted to continue northwards into the Paradigm project area beneath a relatively thin younger basalt cover. Preliminary drilling has intersected andesitic volcaniclastic basement rocks in three holes. Propylitic alteration with minor disseminated pyrite and chalcopyrite has been noted in drill chips from one of the holes that was designed to test the bedrock in an area of anomalous gold and arsenic defined from a regional stream sediment survey. Propylitic alteration is commonly found in the outer halo zones that surround porphyry copper-gold deposits in New South Wales and elsewhere. Five possible porphyry intrusions have been interpreted from aeromagnetic data by Paradigm and are ready for drill testing.

At Guyra, previous exploration by Freeport of Australia Inc ("Freeport") located a porphyry copper-gold system exposed through a window in basalt. This mineralised zone was not fully tested and recent drilling by Paradigm has established that it continues for an unknown distance beneath the surrounding basalt cover. Altered ferruginous sediment outcrops at the Willow Glen prospect show intense fracturing in the form of stockworks of thin limonite veinlets and breccia development. Much of this material is quite friable and near surface leaching of metals may have occurred during the weathering process. Narrow zones of oxide and secondary copper mineralisation occur as minor malachite and chalcocite mostly on fracture surfaces in the core from the Freeport holes. Paradigm plans to drill test for both primary and near-surface oxide and supergene mineralisation.

The Brown Mountain, Laurel Hill and Toogong Projects are all located in the LFB. Historical alluvial gold and deep lead workings in the latter two areas indicate potential for the discovery of a hard rock source under the basalt outliers. At Brown Mountain massive sulphide mineralisation and outcropping gossans contain anomalous gold and base metals. These promising targets at the Bull Mountain prospect have never been drilled.

The Crokers Gully and Ben Lomond Projects are located in close proximity to the Guyra Project. Extensive historical alluvial gold mining has occurred in the Crokers Gully region and good potential exists for the planned program of detailed exploration by Paradigm to discover the hard rock source.

Paradigm's four Queensland projects are all located in regions widely recognised as significant provinces for the development of both epithermal and porphyry/breccia related gold deposits. Better known epithermal deposits include Pajingo and Vera Nancy near Charters Towers and Golden Plateau and Klondyke at Cracow. Mt Leyshon and Kidston are major low-grade porphyry related deposits in North Queensland that have been suited to development by bulk mining methods.

Low-grade gold mineralisation has been recorded in shallow drilling by previous explorers at the Tag Alley prospect in the Redbed Spring Project. The mineralisation is associated with a broad zone of pervasive clay-sericite-pyrite alteration in acid volcanics. Paradigm intends to continue the development of this prospect and to further evaluate its potential for a large low-grade epithermal gold deposit. Small outcropping epithermal quartz veins together with stream sediment gold anomalies will provide the initial focus for exploration on the Chudleigh Park Project.

The Lighthouse Gully Project near Cracow contains the probable southward extension of the favourable Camboon Andesite rocks under flat-lying sandstone cover that has been shown by previous scout drilling to vary in thickness from 40 metres to 100+ metres. Paradigm will target favourable structures and follow up stream sediment gold-arsenic anomalies in its exploration effort to discover epithermal gold deposits akin to those at the nearby Golden Plateau and Klondyke mines. During its sixty year mine life the Golden Plateau mine produced 23,850 kilograms (767,000 oz) of gold. Latest resource estimates announced for the emerging Klondyke project are 24,900 kilograms (800,000 oz) of gold.

Paradigm has formulated programs and budgets for each project based on a priority ranking of the assessed potential for an early major discovery. These are individually outlined in the relevant sections of this report and a two year budget allocation for the projects is summarised in Table 1. Geonz has evaluated the proposed program and budget for each of the projects in relation to the exploration potential and target mineralisation style being sought as part of this assessment. In many instances the programs rely heavily on drilling at an early stage because of the basalt and younger sedimentary cover. In this regard, the Paradigm approach varies from those commonly adopted by many junior explorers who tend to develop prospects by way of more conventional surface sampling and surveys. Paradigm recognises the importance of maximising the information that can be gained from scout drill holes and the need for perseverance and commitment to follow-up on any favourable indications of mineralisation with additional drilling. Geonz considers the programs and budgets for each of the project areas are appropriate, and will adequately provide for the proposed initial exploration phases. Early significant results are likely to attract joint venture farm-in interest from some of the larger mining companies.

TABLE 1.
PROJECT BUDGET SUMMARY

Project	**Year 1 ($)**	**Year 2 ($)**	**Total ($)**
NEW SOUTH WALES			
North Cadia	300,000	300,000	600,000
Guyra	160,000	140,000	300,000
Brown Mountain	70,000	80,000	150,000
Crokers Gully	25,000	60,000	85,000
Ben Lomond	25,000	40,000	65,000
Laurel Hill	40,000	100,000	140,000
Toogong	40,000	60,000	100,000
QUEENSLAND			
Redbed Spring	75,000	100,000	175,000
Chudleigh Park	50,000	50,000	100,000
Lighthouse Gully	75,000	120,000	195,000
Monogorilby	70,000	60,000	130,000
Contingency	70,000	190,000	260,000
TOTALS	**1,000,000**	**1,300,000**	**2,300,000**

Report Guidelines and Information Sources

This report has been prepared generally in accordance with Policy Statements 74 and 75 and Practice Note 43 issued by the Australian Securities and Investments Commission in relation to expert reports, and The Australasian Institute of Mining and Metallurgy's Code and Guidelines for Assessment and Valuation of Mineral assets and Mineral Securities for Independent Expert Reports (the Valmin Code), April 1998 version.

Paradigm has provided Geonz with copies and/or unrestricted access for review of all relevant data pertaining to the projects including internal company reports, open file Mines Department reports, summary presentations and maps and plans both in digital and hard copy form. Representative drill cuttings from holes previously drilled by Paradigm on some of the project areas were also made available for inspection. In addition, relevant published and unpublished open file information that is owned by Geonz was reviewed as part of the assessment of the geology and exploration potential of the Paradigm project areas. In-depth discussions have been held with the Managing Director of Paradigm and other directors in relation to the Company's regional target selection strategy and details and results of the preliminary exploration that has been completed on the more advanced projects. Proposed future programs and budgets were also discussed with senior Paradigm management.

Site visits for information gathering and inspection purposes were made by the undersigned to five of the eleven projects in both Queensland and New South Wales as part of this assessment. In addition, several hundred metres of diamond drill core from holes previously drilled on the Guyra project was examined by Geonz at the New South Wales Department of Mineral Resources ("DMR") core library facility at Londonderry. Site visits were not made to the North Cadia, Toogong and Laurel Hill projects in New South Wales as the author has previously spent significant field time in these areas and many others in the LFB during a twelve year period as Supervising Geologist for a major mining company based in Parkes. The Lighthouse Gully and Monogorilby project areas in Queensland were not visited as both these areas are almost totally covered with Jurassic sandstone that masks the underlying prospective basement rocks.

All of Paradigm's projects are still at various early stages of exploration and there are no identified mineral resources or ore reserves. Where tonnage and grade or production figures are referred to they relate to either historical or contemporary resource information available in the public domain and in some instances may not be compliant with the JORC Code. While Geonz cannot independently verify the accuracy of these figures we see no reason to doubt them.

All references within this report to dollars are to Australian currency. A glossary of technical terms and abbreviations is included on pages 74-75 of this Prospectus.

Overview of Paradigm's Exploration Strategy

Paradigm's principal exploration effort will be directed towards the discovery of large porphyry-style copper-gold deposits in eastern Australia. In the past thirty years exploration for mineralisation associated with igneous intrusions has met with good success. World-class economic discoveries have been made at Cadia, Ridgeway, Northparkes, Cowal, Kidston and Mt. Leyshon. Based on recent resource estimates the combined contained gold content of these six deposits is in excess of 980,000 kilograms or 31.5 Moz.

It is widely accepted that a significant amount of both igneous and volcanic activity is localised along major zones of structural weakness in the earth's crust. These zones are commonly related to crustal thinning and often occur at continental plate boundaries in association with subduction processes. In many instances such major faults and rift zones have been shown to have acted as conduits to the surface for molten rock and ore-forming hydrothermal fluids over significant periods of geological time. A key part of the Paradigm area selection strategy is based on this entirely valid premise.

An increasing amount of exploration in Australia is now being directed at attempts to discover world-class mineral deposits under depths of cover that range anywhere from 40 metres to in excess of 600 metres. In New South Wales the Northparkes, Ridgeway, Cowal and Wyoming deposits are good examples of the success of this strategy. New, high-quality regional geophysical data is available for most of the prospective terrain in eastern Australia and is being used to great effect to define prospective structures and exploration targets in basement rocks beneath younger cover. Paradigm has adopted this approach and has acquired projects in favourable areas with relatively thin basalt or younger sediment cover. Past explorers have often been deterred by the consolidated nature of these cover rocks and instead opted to drill through greater depths of recent alluvium, in many instances at significantly greater expense.

Status of Tenements

Paradigm's current tenement holdings are shown in Table 2. Their location is shown on Figure 1.

TABLE 2.
PARADIGM GOLD LTD PROJECT TENEMENTS

Project Area	Tenement	Area (sq km)	Target Commodities
NSW PROJECTS			
North Cadia	EL 5963	43	Gold, copper
	EL 6028	23	
Guyra	EL 5976	136	Gold, copper
Toogong	EL 6056	69	Gold, copper
Laurel Hill	EL 5981	84	Gold
Brown Mountain	EL 5980	62	Gold, copper, lead, zinc
Crokers Gully	EL 6117	48	Gold
Ben Lomond	EL 5996	89	Gold, copper
QLD PROJECTS			
Redbed Spring	EPM 13655	173	Gold
	EPM 13700	161	
Chudleigh Park	EPM 13651	167	Gold
Lighthouse Gully	EPM 13878	103	Gold, silver
Monogorilby	EPM 13877	121	Gold, copper, lead, zinc
	EPMA 14083	75	

Geonz has not conducted an independent verification of the tenure status nor have we reviewed any information pertaining to native title, national parks and wildlife areas, scenic recreation areas or landowner access agreements entered into by Paradigm for any of the individual tenements as listed in Table 2. This information is the subject of a separate report by tenement consultants Hetherington Exploration and Mining Title Services Pty Ltd and is presented elsewhere in this Prospectus. Paradigm Gold Ltd holds 100% equity in the tenements by way of wholly owned subsidiary companies Paradigm NSW Pty Ltd and Paradigm Queensland Pty Ltd.

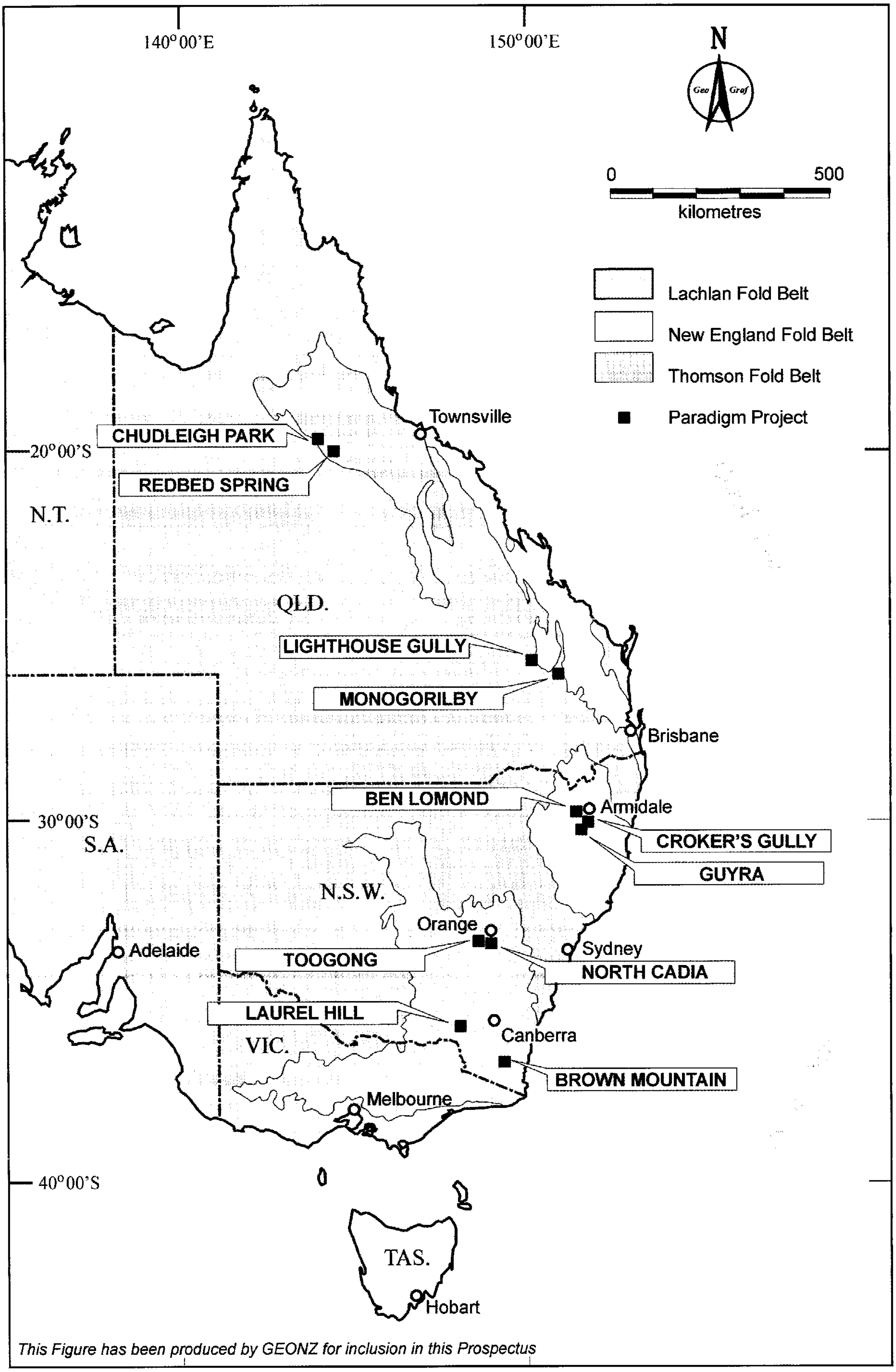

FIGURE 1 - Project Location Map

Regional Geologic Setting of Paradigm's Project Areas

All of Paradigm's project areas are located within the Tasman Fold Belt System which makes up the eastern third of the Australian continent. The Tasman Fold Belt contains a diverse array of base and precious metal deposits that reflect a long and complex geological history and significant quantities of gold, copper, lead, zinc, tin and tungsten and numerous minor metals have been won from these rocks since mining began in the middle of the 19th century.

The Tasman Fold Belt system is considered to be a composite of five, mostly north-south trending, orogenic belts of Paleozoic age. The LFB occupies the central to south-eastern part of the of the Tasman Fold Belt system (See Fig 1.) and comprises volcanic, sedimentary and granitoid rocks that range in age from Cambrian to Carboniferous. It contains a wide variety of metallic mineral deposits and in the past twenty five years has undergone a major resurgence in gold and copper mining with the discovery and development of world-scale porphyry deposits at Northparkes, Cadia and Ridgeway. These new mining projects have made a major contribution to a 1695% increase in total New South Wales gold production since 1985-86. This trend is predicted to continue for at least the next five years with additional production from Ridgeway and the commissioning of the large low-grade Cowal gold deposit near West Wyalong. Annual New South Wales gold production figures including those projected out to 2004 are shown on Figure 2.[1]

Six of Paradigm's project areas are located in the LFB and it's northern extension into Queensland, the Thomson Fold Belt ("TFB"), as shown on Figure 1. Major gold deposits in the TFB include Mt Leyshon, Kidston, Pajingo and Vera Nancy.

The remaining Paradigm project areas are located further to the east within the New England Fold Belt ("NEFB") in both New South Wales and Queensland as shown on Figure 1. The NEFB comprises a complex sequence of folded and faulted volcanic and sedimentary rocks that have been intruded by numerous granite plutons. The outcropping geologic terrain is of Late Paleozoic through Mesozoic age and extends along most of the eastern seaboard from Townsville to the New South Wales central coast. The New South Wales section has a prominent granite-related metallogenic association and deposits occur in various forms including veins, stockworks, pipes, disseminations, greisens and skarns. There is also a wide diversity of metals with gold, silver, tin and tungsten, commonly associated with sulphides of antimony and arsenic, being the most prolific.

In Queensland the NEFB rocks include calc-alkaline volcanics, volcaniclastic sediments, cherts and coralline limestones that have formed in an interpreted island arc setting of Upper Silurian to Middle Devonian age. These rocks contain several world-class deposits including the worked out Mt Morgan volcanogenic massive sulphide deposit that produced 7.6 Moz of gold. Other notable gold deposits include those at Gympie (3 Moz) and the historic 1.5 Moz Golden Plateau mine at Cracow.

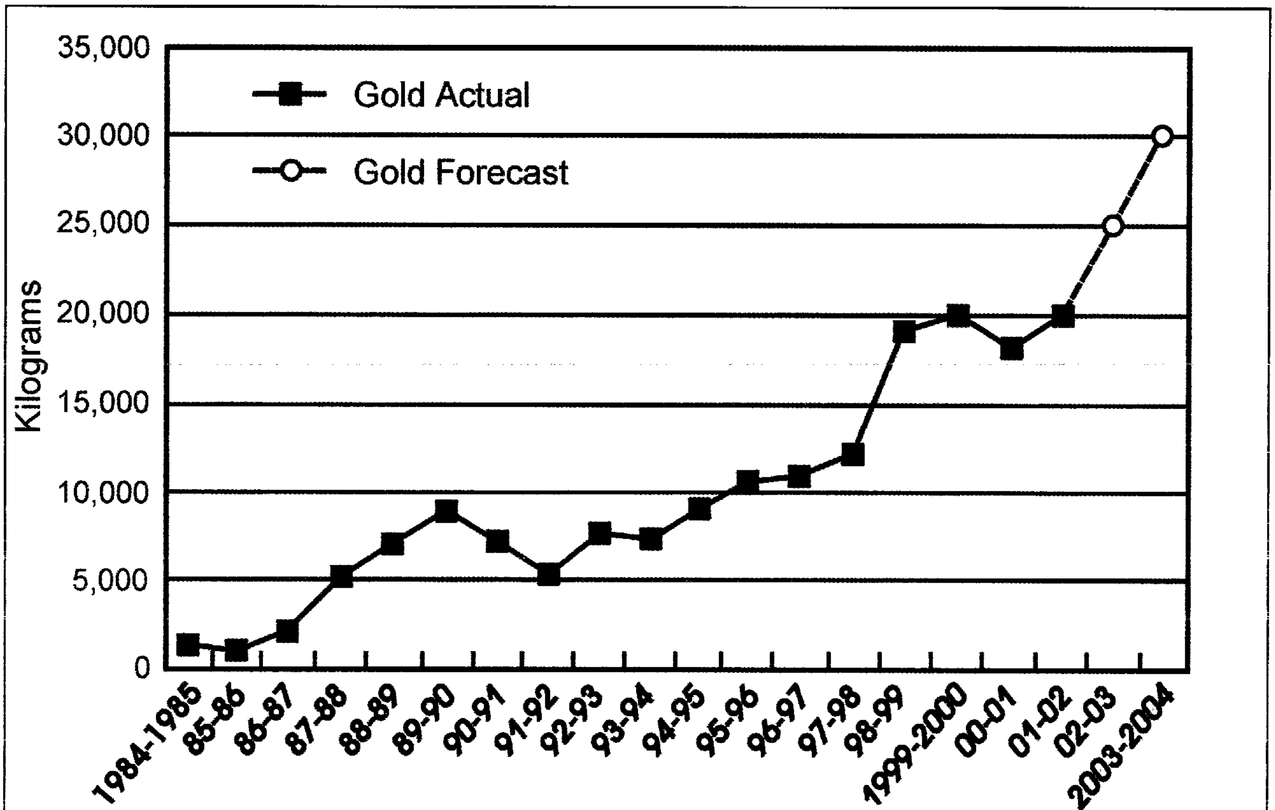

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FIGURE 2 - New South Wales Gold Production

[1] *Source New South Wales Dept. of Mineral Resources Minfo 75 August 2002.*

New South Wales Projects

NORTH CADIA PROJECT

Location and Tenure

The North Cadia project tenements are located 10 km south-west of the large regional agricultural and mining centre of Orange (pop 30,700) in central New South Wales as shown in Figure 3. The project area consists of two granted adjoining exploration licences, EL 5963 and EL 6028 that cover a combined area of 66 sq km. Land use is predominantly forestry, agriculture and horticulture. Approximately 17 sq km of EL 5963 is covered by the Mt. Canobolas Scenic Reserve Area.

Project Geology

Tertiary volcanic rocks that consist of basalt and trachyte flows and plugs with minor rhyolite cover the entire area of the North Cadia project tenements. Where known, the thickness of the basalt cover is in the range of 100-150 metres apart from in the immediate vicinity of the volcanic plugs that form topographic highs. Mt Canobolas is the most prominent peak at an elevation of 1397 metres asl.

Regional geological mapping by the DMR in combination with results of recent aeromagnetic surveys and drilling indicate that Ordovician rocks of volcanic and possibly intrusive and sedimentary origin lie beneath the Tertiary cover over much of the project area. The Ordovician sequence forms part of the north-south trending Molong volcanic belt and is host to the major Cadia Valley porphyry copper-gold deposits that are located less than 5 km south of the Paradigm project area. Based on current resource estimates the Cadia Valley deposits have a combined contained metal content of 20.7 Moz of gold and 2.5 million tonnes of copper. Other known areas of porphyry-related mineralisation within the Molong volcanic belt occur at Copper Hill and Cargo.

Further to the west, the parallel north-south Narromine – Goonumbla belt of volcano-intrusive rocks is of similar age and composition to the rocks in the Cadia district. This zone contains the major intrusive-related copper-gold and gold deposits at Northparkes and Cowal. Mineralisation at both these deposits is blind and lies beneath 30-100 metres of recent soil and alluvial cover.

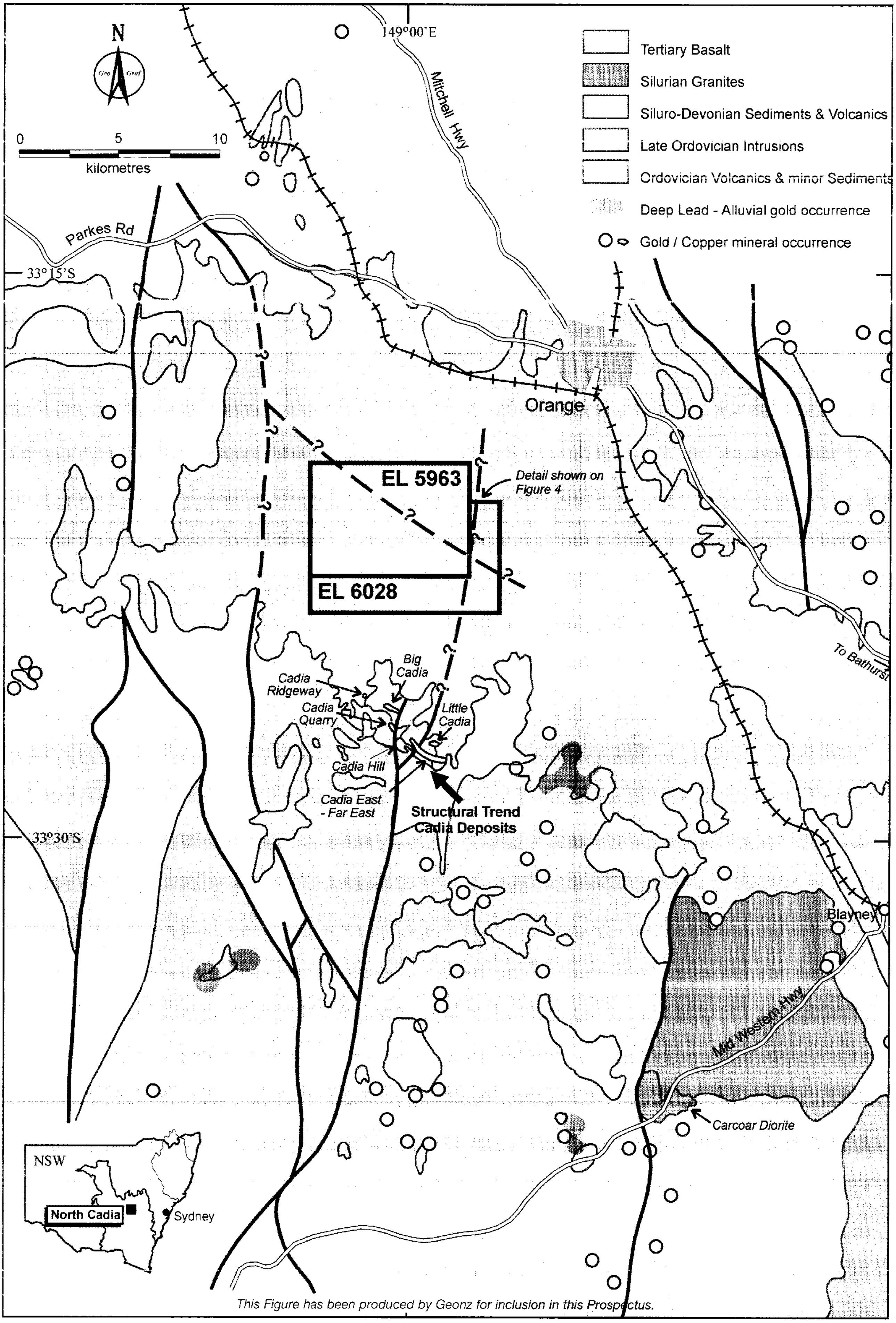

FIGURE 3 - North Cadia Project Regional Geology

FIGURE 4 - North Cadia Project Regional Aeromagnetics and Structure

At North Cadia Ordovician rocks that outcrop immediately to the south of the Tertiary basalt cover are part of the Forest Reefs Volcanics Formation. Lithologies comprise porphyritic andesite to trachyte volcaniclastics and sub-volcanic intrusions of alkaline or shoshonitic composition together with lesser epiclastic sediments and minor limestone lenses. The Forest Reef Volcanics are intruded by small composite diorite-monzonite stocks at several locations including Cadia where the more quartz-rich monzonitic phases host a significant proportion of the porphyry copper-gold mineralisation. The calc-alkaline to shoshonitic composition of the Late Ordovician magmas and the strong potassic alteration associated with the LFB porphyry copper-gold systems was first noted at Goonumbla (now known as Northparkes) by the author (Jones, 1985). This was subsequently reinforced by the work of Heithersay and Walshe (1995) and more recently in studies by Holliday et.al. (2002) at Cadia. These authors and others consider that the high gold-copper ratios of the porphyry mineralisation are related to the shoshonitic character of the source magmas.

Previous Exploration

The North Cadia project area has had only minimal past exploration in comparison with most other areas in the central LFB due to the extensive basalt cover. Renison Goldfields Corporation ("RGC") conducted reconnaissance geological mapping supplemented by drainage sampling in the late 1980s in an attempt to locate windows and embayments in the basalt where the older Ordovician rocks might be exposed. RGC's exploration focus was for hydrothermal limestone replacement or skarn mineralisation similar to that at Big Cadia and Junction Reefs. No significant results were obtained.

A detailed aeromagnetic survey was flown over the project area in 1991 by the DMR as part of the re-mapping of the Bathurst 1:250,000 sheet.

Paradigm Exploration Results

A regional stream sediment geochemical survey conducted by Paradigm over the entire project area in 2002 outlined an anomalous gold-copper-arsenic zone on the eastern side. (Fig 5). This anomaly may be attributable to metal dispersion from weathered mineralised Ordovician rocks at or near the unconformity with the basalt.

Four widely spaced reconnaissance reverse circulation percussion ("RCP") drill holes were completed in January 2003 for a total of 680 metres. The holes were designed to test the underlying bedrock in the vicinity of the geochemical anomaly and to establish the thickness of the

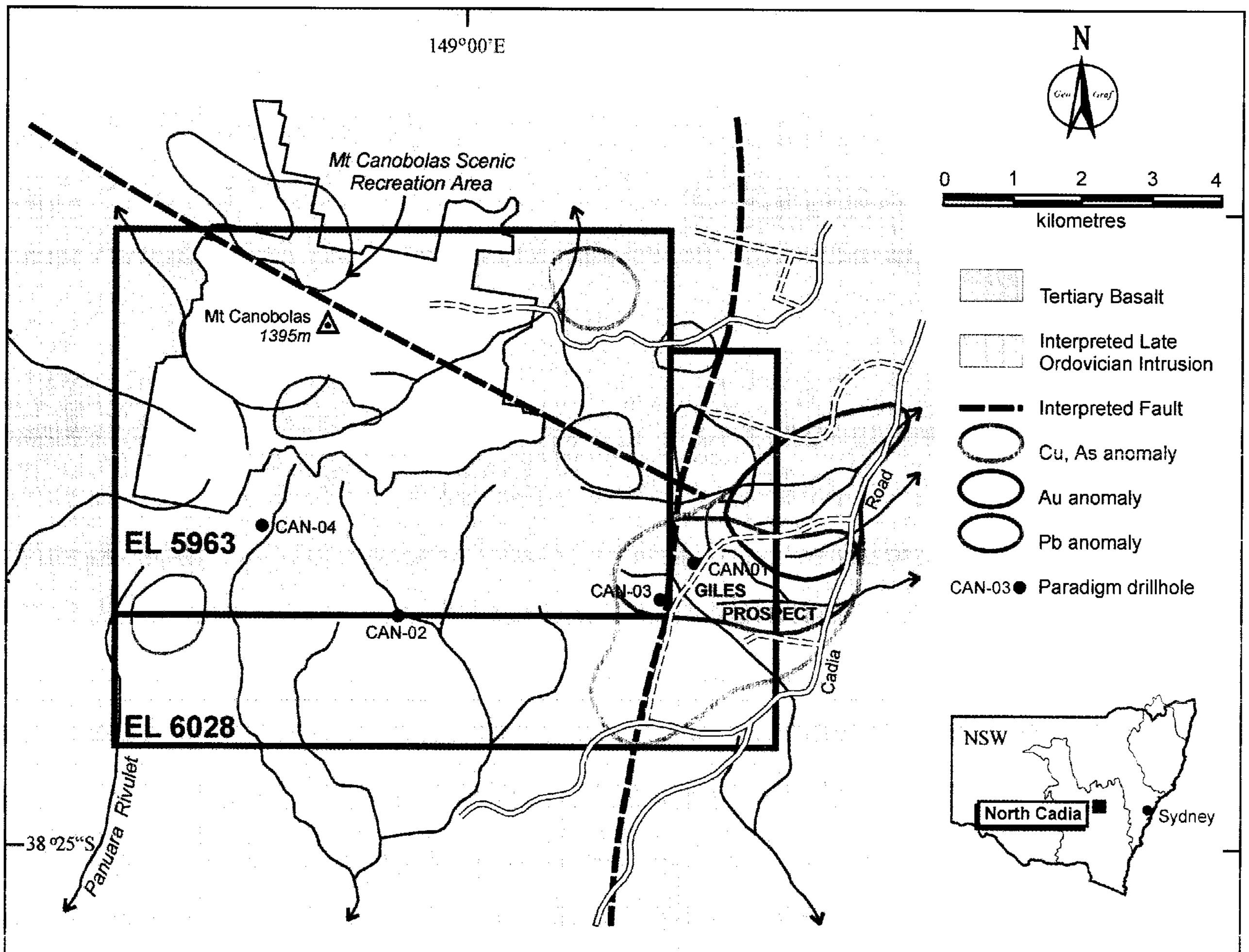

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FIGURE 5 - North Cadia Project Detailed Geology

basalt at some of the more favourable structural target locations. The most significant result was obtained from drill hole RC-CAN01 sited within the geochemical anomaly. After passing through a 120 metre vertical thickness of basalt the hole intersected a 40 metre thick zone of iron-rich clays at the unconformity before entering consolidated basement volcanic rocks of probable Ordovician age at 166 metres. Relict feldspar textures indicate the clay was most likely derived from the weathering of the basement rocks. The hole continued in altered volcanics from 166 metres to its final depth of 197 metres.

Some of the iron oxide minerals in the clay zone were probably derived from the weathering of pyrite and a weakly anomalous gold value of 27 ppb was obtained from the 4 metre interval immediately beneath the basalt. Petrological studies show the underlying volcanic rocks are pervasively altered to an assemblage of carbonate-chlorite-pyrite±epidote±magnetite together with trace chalcopyrite, and accompanied by thin fracture controlled calcite veinlets. This style of hydrothermal alteration is a common feature of outer alteration haloes that surround mineralised porphyry systems, and in particular is typical of the alteration within 200 metres of the Northparkes and Cadia deposits. Gold values in the altered volcanics range from 3 to 10 ppb.

Unaltered andesitic volcanic rocks were intersected in holes RC-CAN02 and RC-CAN04 beneath 98 metres and 131 metres of basalt cover respectively. Red hematite dusting of plagioclase feldspars was noted by Geonz during inspection of drill chips from hole RC-CAN02. This feature is a common characteristic of the Ordovician shoshonitic andesitic volcanics at Northparkes and elsewhere in the LFB (Jones, 1985). Hole RC-CAN03 also successfully penetrated the basalt and bottomed in chlorite altered ultramafic rock and metasiltstone.

Exploration Potential

In addition to being probably underlain by the prospective Ordovician volcanic suite, the North Cadia project is located at the intersection of several important geological structures. The most prominent of these is the north-west trending Lachlan Transverse Zone, a 70 km wide structural corridor that crosses most of the LFB at a high angle and contains numerous mineral deposits including Northparkes and Cadia. Glen and Walshe (1999) suggested that the intersection of this zone with the Ordovician volcanic rocks in the eastern LFB provided a locus for the emplacement of the shoshonitic magmas from which the porphyry copper-gold mineralisation was derived. Holliday et al. (2002) suggest that the emplacement of the Cadia Intrusive Complex was controlled by a major north-west trending dilation zone that is apparent in the regional aeromagnetic data. DMR geological mapping and metallogenic data show that north-south oriented faults and shears are also important features for the localisation of mineralisation within the Molong volcanic belt. These structures are present in the older rocks both to the north and south of the North Cadia project area and their presence beneath the basalt can be interpreted from the aeromagnetic data. Several smaller cross-cutting structures have also been interpreted by Paradigm, as well as five possible Ordovician intrusions.

Eruptive centres like Mt Canobolas are commonly located along major structures or rift zones that have deep plumbing systems and in some instances have been the focus of magmatic and hydrothermal activity for long periods of geological time. Basaltic lavas of this type are typically highly fluid and can flow out as thin sheets over large tracts of relatively flat terrain.

Proposed Program and Budget

The principal objective of the proposed first year program by Paradigm for the North Cadia project is to follow-up the indications of porphyry-style alteration already intersected in Hole RC-CAN01 at the Giles Prospect. This will initially involve the drilling of a further 10 to 15 RCP drill holes for an estimated 2000 metres. Some of the holes will have diamond core tails to provide better samples for determination of alteration, veining and mineralisation styles. The program will proceed in a step-wise fashion so that the results from each hole can be used to vector towards possible centres of porphyry-style copper-gold mineralisation. Some drilling will be allocated to testing for potential Ordovician intrusions under the basalt.

In New South Wales, and elsewhere in the world, electrical geophysical techniques including Induced Polarisation ("IP") have been used to good effect in mapping pyrite haloes that surround porphyry centres. Depending on results of the initial drilling as outlined above, Paradigm plan to conduct an IP survey during Year 1 that could involve approximately 20 line km. The objective of the survey will be to determine the distribution of pyrite in the altered andesites beneath the basalt as an additional means of identifying porphyry targets for drill testing.

The two year program and budget is summarised in Table 3. This may be modified in Year 2 depending on the exploration success achieved in Year 1.

TABLE 3.
SUMMARY PROGRAM AND BUDGET FOR THE NORTH CADIA PROJECT

Year	Proposed Program	Budget ($)
1	Reverse circulation percussion (RCP) of 10–15 holes for 2000m at the Giles prospect. Possible ground geophysics (IP) to delineate additional targets. Follow-up drilling (2000m).	**300,000**
2	Additional RCP drilling (1000m) and diamond drilling (2000m) if warranted. Follow-up of other areas of interest identified in Year 1.	**300,000**

Geonz has reviewed the program and budget planned by Paradigm for the North Cadia project and consider it to be in accordance with accepted methods and current costs for exploration for this type of target underneath younger cover rocks.

GUYRA PROJECT

Location and Tenure

The Guyra project is located in the New England region of New South Wales 400 km north of Sydney and 35 km north of Armidale. Exploration Licence 5976 is comprised of 46 sub-blocks and covers an area of 136 sq km that is centred on the small rural township of Guyra as shown in Figure 6. The tenement covers mostly privately owned, undulating cleared farmland that is used for sheep and cattle grazing. The New England Highway traverses the project area and easy access can be gained to most parts by rural roads and farm tracks.

Project Geology

EL 5976 is situated along the south-eastern margin of the New England granite batholith. This large intrusive complex is made up of adamellites and granodiorites of Upper Permian age. Tertiary basalt flows cover most of the project area, apart from several small inliers and peripheral areas. Rock types exposed within the inliers include hornfelsed and altered silty sediments and minor rhyolite of the Upper Carboniferous Sandon Beds, intruded by biotite monzogranite porphyry and polymict hydrothermal breccia of probable Permian age. The principal areas of exploration interest for Paradigm comprise the windows located on the "Willow Glen" and "Washpool" properties situated 2 km east of Guyra township.

Historical Mining and Previous Exploration

Evidence of early prospecting has been noted at Washpool and also alongside the Dorrigo road 500 metres north of the Willow Glen homestead where shallow pits have been excavated on lead, zinc, arsenic and silver bearing quartz veins. Pits and shallow trenches on a small knoll 600 metres south-west of Willow Glen homestead have been reported as a minor gold occurrence.

The Washpool and Willow Glen inliers were explored during the 1980s by Freeport in joint venture with Tinga Holdings Pty Ltd. Initial work by Freeport was focussed on the Washpool prospect where rock chip sampling returned maximum values of up to 0.5 g/t gold, 2400 ppm copper, 1.2% lead, 1.3% zinc, 72 g/t silver and 1600 ppm molybdenum. Geological mapping, petrological studies and IP surveys produced encouraging results and led Freeport geologists to interpret the setting to be the top of a porphyry system with the potential to host a large body of disseminated mineralisation. Eight shallow percussion holes were drilled to test the anomalies to a maximum depth of 80 metres. Selective assaying of samples from the drill holes gave consistently anomalous values with a best intersection of 30 metres at 14 g/t silver, 0.14% zinc and 0.17% lead. No copper assays were done and only a few samples were analysed for gold.

Following the location of mineralised biotite porphyry outcrops 1 km to the south-east of Washpool, Freeport shifted their exploration focus to the Willow Glen inlier. This area was covered with detailed geological mapping, rock chip and soil geochemical sampling and IP surveys. Rock chip samples returned maximum values up to 1.6 g/t gold, 53 g/t silver, 2300 ppm copper, 3200 ppm lead, 1050 ppm zinc and 3250 ppm arsenic. Soil sampling defined a significant copper anomaly that coincided with the mapped zone of altered porphyry. Five shallow diamond drill holes for a total of 446 metres were drilled in a restricted area to test the sub-cropping porphyry and the altered metasediments immediately to the north. Less than one third of the core was assayed. Copper values in the porphyry ranged from 420 ppm to 0.44% and in the metasediments from 220 ppm to 0.33%. Gold values were generally low.

Newcrest noted the porphyry copper-gold potential of the area from a review of open file exploration reports and took up the ground in early 1993. Their interest was enhanced when results of initial fieldwork established that the work by Freeport had been concentrated in a relatively small section of the exposed porphyry-style alteration and that large areas of hydrothermal breccia had not been recognised in the earlier mapping. Newcrest completed detailed geological mapping, re-logged and took additional samples from the Freeport diamond drill core for assaying and petrology, and conducted rock chip and soil geochemical sampling at the Willow Glen prospect.

Mapping by Newcrest defined outcrop of porphyry over a strike length of approximately 1 km and with a general north-westerly orientation. Their petrological samples confirmed that the porphyry has been variably altered with pervasive silica-pyrite and chlorite and locally intense sericite-quartz-pyrite. Thin sections also revealed polyphase veining with early high temperature quartz-K-feldspar veining followed by chlorite-K-feldspar-quartz veins and later chlorite-carbonate veins. Chalcopyrite occurs with pyrite and minor base metals. Newcrest were unable to determine the full extent of the porphyry breccia, but concluded that at least one third to one half of the system was beneath the surrounding shallow Tertiary basalt cover.

Results of soil sampling defined weak to moderate contourable anomalies for copper, lead and arsenic over the length of the exposed system. Gold values from soil and rock samples were generally weak and sporadic. Interpretation of these results led Newcrest to conclude that near surface depletion of metals was likely and that the system remained relatively under-explored. However their work had not provided sufficiently encouraging gold targets to warrant further exploration and the area was relinquished.

Paradigm Exploration Results

Exploration conducted by Paradigm has included a literature review of open file exploration reports together with a stream sediment survey over the entire project area. Two RCP holes were drilled approximately 500 metres south and west of the mapped limits of the exposed altered metasediments and results have confirmed the porphyry system extends for at least this distance beneath the shallow basalt cover. Petrological studies on two drill-chip samples recorded hydrothermal alteration in sediments accompanied by fracture controlled quartz sulphide veinlets containing minor chalcopyrite. Assay results showed weakly anomalous copper but no significant gold values.

Exploration Potential

Pervasively altered ferruginous outcrop of silty sediments, breccia and porphyry at the Willow Glen prospect are clearly partial exposure of a large mineralised porphyry system whose true extent is unknown. A similar situation exists at the Washpool prospect to the north where altered and mineralised sediments in a small window extend under basalt on all sides. It is conceivable that both these areas belong to the same system.

Sediment outcrops at Willow Glen show evidence of intense fracturing that is demonstrated by stockworks of thin limonite veinlets and breccia development. Much of this material is quite friable and during our site visit the author formed the opinion that near surface leaching of metals may have occurred during the weathering process. In such instances results of soil sampling may produce subdued anomalies whose centres may not necessarily reflect the zones of highest-grade mineralisation at depth. This feature was also noted by Newcrest in discussion on the results of their soil sampling and was supported by our examination of the Freeport drill core. Malachite and minor disseminated chalcocite was noted near the base of oxidation in two of these holes.

Quartz-sericite-pyrite alteration of the type exposed in the Willow Glen inlier is a common feature of the outer halo of many world-class porphyry copper-gold deposits. Typically, better grade mineralisation occurs towards the centre of these systems in association with higher

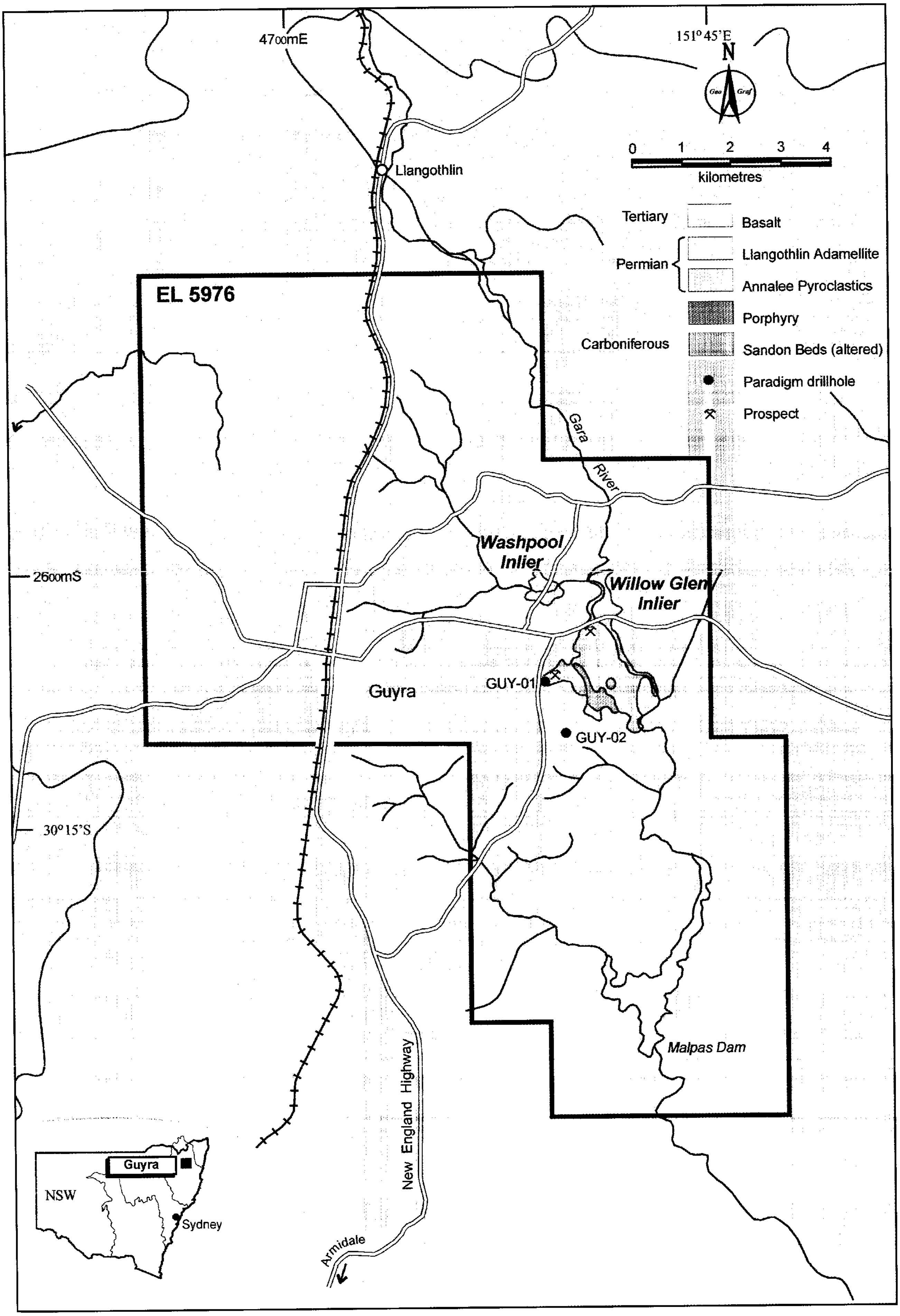


FIGURE 6 - Guyra Project Regional Geology

Previous explorers have failed to define neither the extent of the porphyry system nor any alteration zonation and have not properly drill tested those parts that are outcropping or under shallow cover within the Guyra project. Excellent potential still exists for Paradigm to discover substantial zones of higher-grade mineralisation than those already known.

Proposed Program and Budget

The initial exploration objective for the Guyra project will be to test the economic potential of the porphyry copper-gold system inside the exposed window at Willow Glen. A program of reconnaissance rotary air blast ("RAB") and/or RCP drilling will be conducted on selected lines over the prospect to determine the geochemical parameters of the leached cap. This information will be used to design a follow-up grid-based RAB or RCP program, the results of which will be used to target deeper drilling. A ground magnetic survey over the known windows and surrounding areas of thin basalt is also planned for Year 1 and provision has been made for 2000 metres of RCP drilling. Contingent on the results of Year 1, an additional 10 holes for an estimated 2000 metres of follow-up drilling has been allowed for in Year 2.

A summary of the two year program and budget is shown in Table 4.

TABLE 4.
SUMMARY PROGRAM AND BUDGET FOR THE GUYRA PROJECT

Year	Proposed Program	Budget ($)
1	RAB and/or RCP drilling (1000m) on the exposed leached cap of the Willow Glen porphyry system. Ground magnetic surveys to assist with mapping the extent of the mineralised system and as an aid to targeting deeper drill holes. Follow-up RCP drilling of 2000m.	**160,000**
2	Additional RCP drilling (2000m) if warranted. Follow-up of other areas of interest identified in Year 1.	**140,000**

The program and budget prepared by Paradigm for the Guyra project is considered by Geonz to be appropriate for the first phase of testing of the Willow Glen porphyry copper-gold system. Favourable results from the planned RAB geochemical survey could rapidly define zones of potentially higher-grade mineralisation. Depending on the results of the Year 1 program, some of the Year 2 drilling may be diamond core rather than RCP.

BROWN MOUNTAIN PROJECT

Location and Tenure

The Brown Mountain project is located in southern New South Wales 340 km south west of Sydney and 40 km west of Bega as shown in Figure 7. The project area consists of a single granted exploration licence EL 5980 and covers an area of 62 sq. km. Agriculture and forestry are the main land uses and good access is available via public roads and forestry tracks.

Project Geology

The project area is located in the southern part of the LFB close to the eastern margin of the Molong – South Coast anticlinorial zone. The local regional geology is dominated by the multiphase Bega Batholith of Devonian age that has intruded older Paleozoic volcanics and sediments that range in age from Ordovician to Devonian. The main zone of exploration interest for Paradigm is a belt of Late Ordovician to Silurian acid to intermediate volcanics and metasediments that range in width from 500 metres to 1 km and lie along a faulted contact of the Glenbog Granodiorite to the west and the Bukalong Granite to the east. Tertiary basalt flows unconformably overlie the older rocks and cover the tops of many of the hills in the Brown Mountain area. A large basalt outlier sits on top of the prospective Ordovician-Silurian rocks at the granite contact zone in central part of EL 5980.

Two styles of mineralisation occur in the Paradigm project area. Massive sulphides consisting of pyrite with associated copper, lead, zinc, gold and pyrrhotite have been exposed in old workings in the volcaniclastics. The mineralisation is accompanied by chlorite-sericite-quartz alteration of the host rocks. Elsewhere in the southern part of the project area the evidence for sulphides exists as iron oxide and magnetite bearing gossan outcrops that in places are over tens of square metres in area. Minor stockwork quartz-magnetite veining occurs along the western faulted granite contact indicating probable former hydrothermal activity on this structure.

Historical Mining and Previous Exploration

Several small mine workings and prospect pits are located within the project area. The largest of these consists of an adit and winze to a depth of 24 metres. A further group of three shafts is sited 1100 metres to the north of the adit. The location of these workings is shown in Figure 7. DMR records suggest the most recent mining activity took place during the mid-1950s, however it is likely that some of the workings are much older and date back to the turn of the century.

The Brown Mountain region was explored by Horizon Resources NL ("Horizon") during the late 1980s. Their work consisted of regional mapping, rock chip and stream sediment sampling. Channel sampling of gossanous material in one of the old workings at the Bull Mountain prospect returned an average value of 16.2 g/t gold over a sampled interval of 2.4 metres. Elsewhere rock chip sampling of sulphidic and gossanous rocks returned significantly anomalous values for copper, lead, zinc, arsenic and in places gold and bismuth. Grid based

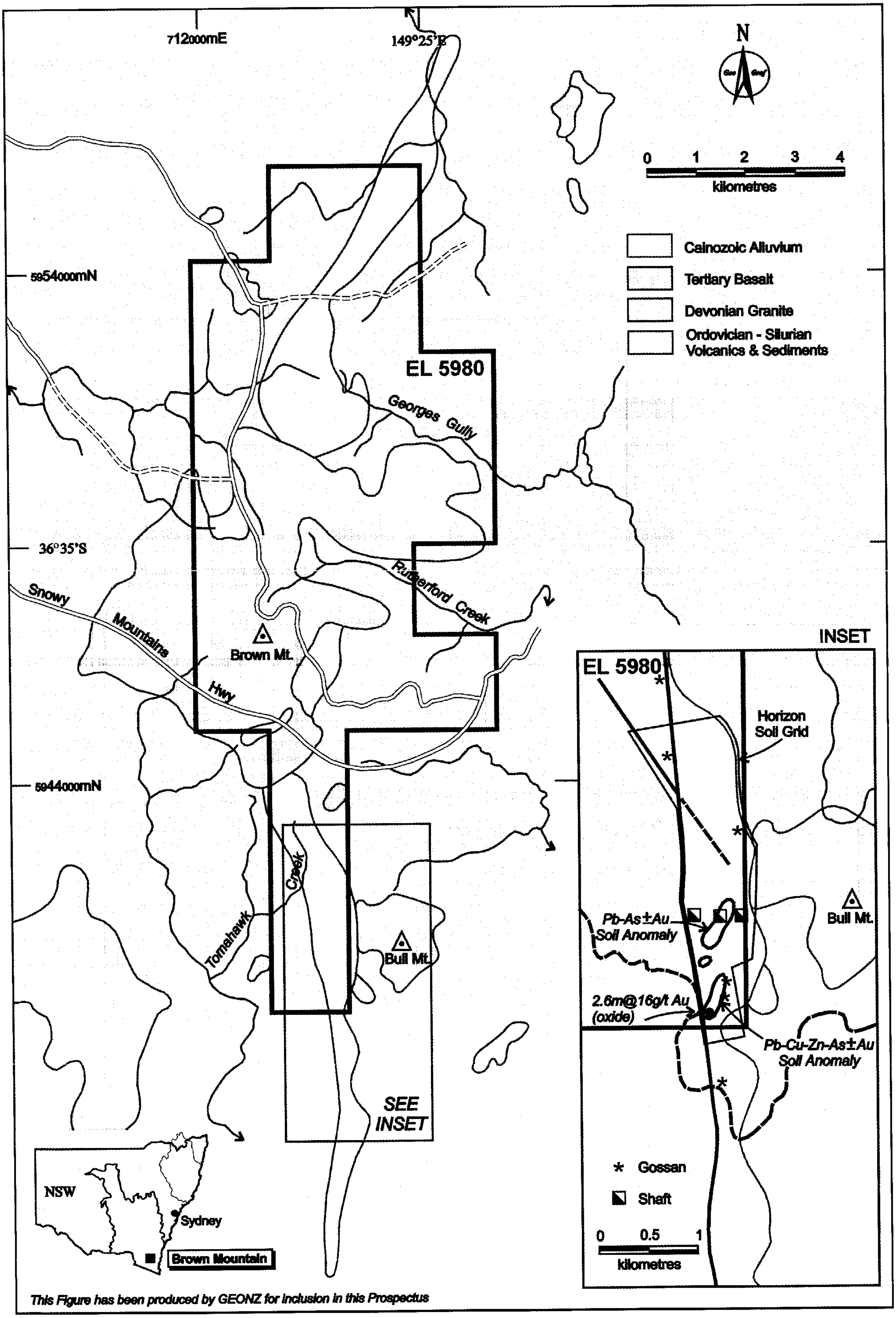


FIGURE 7 - Brown Mountain Project Regional Geology

geophysical and geochemical surveys were completed in the main area of interest around the old workings and gossan outcrops. Results of systematic soil sampling defined coincident anomalies for copper, lead, zinc and arsenic and these encouraging geochemical results were supported by anomalies defined from IP and ground magnetic surveys. No drill testing was done by Horizon.

Paradigm Exploration Results

Paradigm has completed a program of stream sediment sampling that covered most of the Brown Mountain project area. Forty five samples were collected and analysed for a range of elements. Results have defined two weak arsenic anomalies, one in the central northern part of the tenement and a second linear anomaly coincident with the area of interest at the Bull Mountain prospect. Two rock grab samples were collected from old workings during the stream sediment survey and both recorded moderately anomalous gold values of 45 ppb.

Exploration Potential

Rock types at Brown Mountain consist of a mixed volcanic and sedimentary sequence. Similar lithologies host the Woodlawn and Captains Flat volcanogenic massive sulphide deposits in the eastern LFB. The worked out Woodlawn Mine had a pre-mining resource of 18 million tonnes at 1.7% copper, 3.8% lead, 9.9% zinc, 80 g/t silver and 0.4 g/t gold. Exposed mineralisation and several anomalous gossans highlight the massive sulphide potential of the Bull Mountain prospect. The coincident geochemical and geophysical anomalies outlined by Horizon provide potential drill targets.

The prospective volcano-sedimentary sequence extends beneath basalt in the central portion of the project area. Potential exists for additional zones of mineralisation under the younger cover in this region. A further 6 km strike length of the sulphide bearing formation rocks have been mapped to the north of the basalt outlier as shown in Figure 7. This area appears to have had only minimal past exploration and therefore warrants detailed sampling, geological mapping and follow-up drilling of worthy targets that may emerge.

Proposed Program and Budget

A two year exploration program and budget has been prepared by Paradigm. Proposed work involves detailed grid-based geological mapping, geochemical sampling and RCP drilling in the first twelve months. A ground magnetic survey may be conducted to delineate extensions of the known pyrrhotite-magnetite bearing massive sulphide mineralisation under cover. The best targets defined from the Year 1 program will be drill tested in Year 2. An estimated 1000 metres of RCP drilling has been allocated in the budget.

The two year Brown Mountain project program and budget is summarised in Table 5.

TABLE 5.
SUMMARY PROGRAM AND BUDGET FOR THE BROWN MOUNTAIN PROJECT

Year	Proposed Program	Budget ($)
1	Detailed geological mapping, geochemical sampling, RCP drilling at the Bull Mountain prospect. Possible ground magnetics.	70,000
2	RCP drilling (1,000m) to test targets emerging from Year 1 exploration. Follow-up of other areas identified in the northern part of the tenement during Year 1.	80,000

Given that gold and base metal bearing massive sulphides are known from shallow depth in some of the old workings at the Bull Mountain prospect, Geonz considers that the proposed exploration program is appropriate and will be successful in delineating the extent of the near surface zones of mineralisation. Planned drill testing will provide an initial indication as to the grade, thickness and strike extent of the mineralisation at depth.

CROKERS GULLY & BEN LOMOND PROJECTS

Location and Tenure

The Crokers Gully and Ben Lomond project areas are located on the New England Tableland 400 km north west of Sydney. Each project area consists of a single exploration licence. EL 6117 Crokers Gully covers an area of 48 sq km and is located 20 km to the north-east of Guyra. The Ben Lomond licence (EL 5996) covers an area of 89 sq km and is located 20 km north of Guyra. The project areas are situated on gently dissected high country plateau land that is used mostly for sheep and cattle grazing. The location of the Crokers Gully project is shown in Figure 8.

Project Geology

The Crokers Gully project area is underlain by granitic rocks of the Uralla Plutonic Suite that are part of the Permian New England Batholith. The exploration licence covers the north-south contact between the Wards Mistake Adamellite in the west and the slightly younger Oban River Leucoadamellite in the east. At Ben Lomond the project area is almost entirely covered by Tertiary basalt with only a small inlier of older volcanic rocks that are of Lower Permian age exposed in the headwaters of Moredun Creek.

Historical Mining and Previous Exploration

Extensive historical alluvial workings for tin, gold, sapphires and topaz, some of which date back to the 1850s, are spread along the Oban and Sara Rivers and Backwater Creek within and in the immediate vicinity of the Crokers Gully project area. During the early 1900s both alluvial and colluvial deposits were worked with small pump dredges and several narrow quartz lodes were mined for gold and tin from pits, adits and shaft sinking. Known hard rock occurrences at Lowes Claim, Lode Hill and Lockyer's Vein were the target for more recent exploration in the 1970s and 1980s.

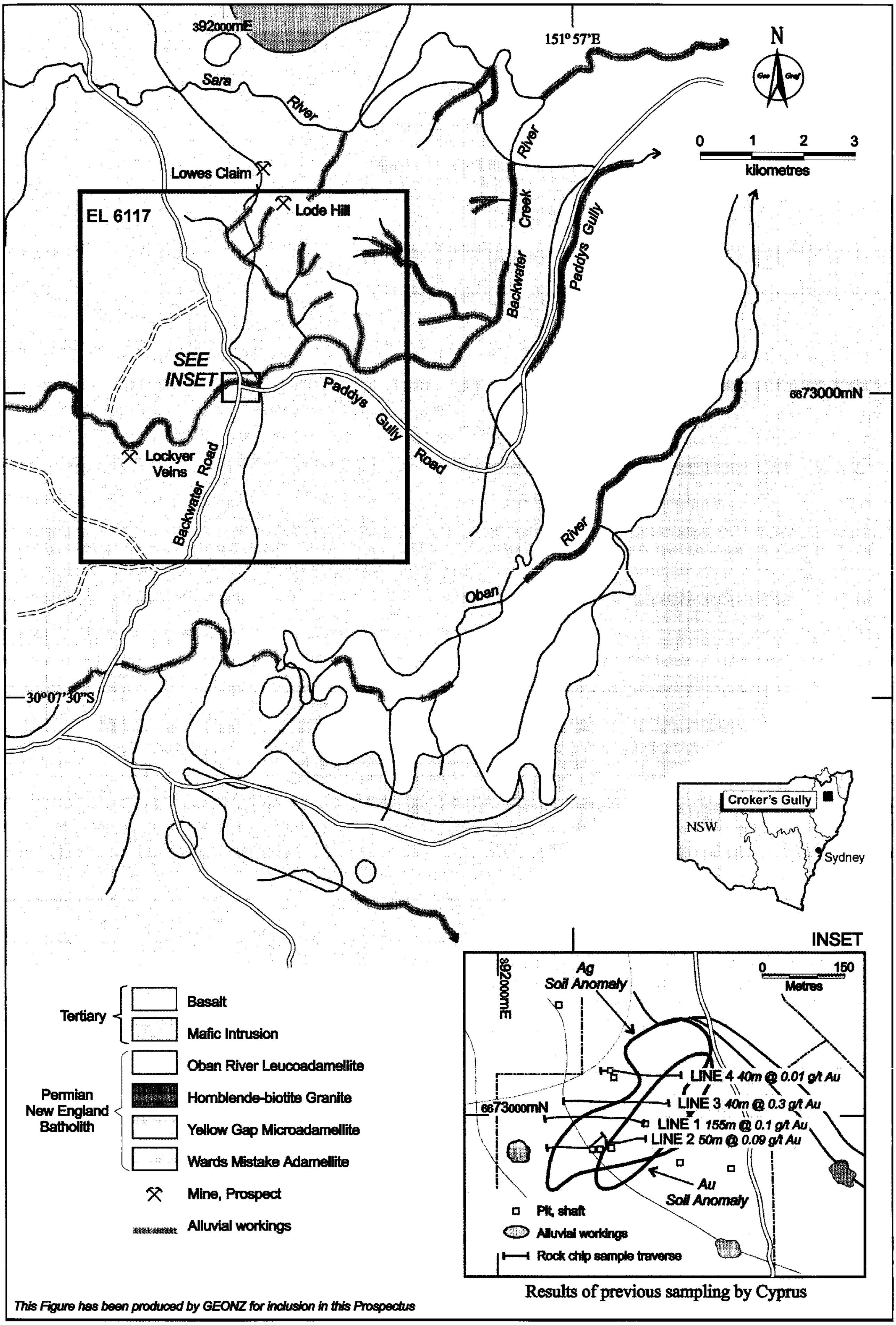


FIGURE 8 - Croker's Gully Project Regional Geology

The Backwater Creek region was explored by Cyprus Gold Australia Corporation ("Cyprus") during 1995. Their work included geological mapping, BLEG stream sediment and rock chip sampling. An area of 1 km by 1.2 km in Crokers Gully was grided and soil sampled to follow-up anomalous gold and silver values obtained from the stream sediment sampling. Results of the soil sampling defined a distinct gold-silver anomaly approximately 300 metres long and with a peak gold value of 92 ppb. The anomalous zone was generally coincident with an area of quartz-veined subcrop of altered porphyritic dykes and where pitting, trenching and eluvial workings had been excavated in the past. Four rock chip traverses were sampled across the centre of the soil anomalies and returned anomalous values including 40 metres at 0.3 g/t gold and 155 metres at 0.1 g/t gold from two of the lines. The location of these traverses is shown in Figure 8. No drilling was done by Cyprus and the area was relinquished after the first year.

Paradigm Exploration

A literature review of open file exploration reports has been completed by Paradigm and relevant data compiled into digital format. Targets for the first phase of exploration have been defined and fieldwork commenced at the Ben Lomond project with the drilling of a single RCP hole. The hole was abandoned at a depth of 101 metres after failing to penetrate the basalt.

Exploration Potential

Assessment of historical mining data in the Crokers Gully region suggest there is potential to locate the hard rock source for the considerable amount of alluvial gold that has been won from the Oban and Sara Rivers and their tributaries. Known quartz vein deposits are limited in size and therefore unlikely to have been the only source. The Crokers Gully project has potential for gold-bearing quartz stockwork vein systems and/or disseminated mineralisation possibly associated with late stage hydrothermal activity that accompanied the intrusion of porphyry dykes at or near the contact between the Permian granite intrusions. Untested soil and rock chip gold anomalies in the Crokers Gully project area provide an excellent opportunity for the discovery of this style of mineralisation.

Proposed Program and Budget

Paradigm exploration during Year 1 at Crokers Gully will involve the re-establishment of a grid over the Cyprus gold anomaly together with detailed geological mapping and in-fill rock chip sampling. An IP survey is planned for the second year. Results should enable better definition of the anomalous zone and provide targets for up to 800 metres of RCP drilling during Year 2.

At Ben Lomond additional reconnaissance drilling in no more than two RCP holes for 400 metres is planned for the first year to test conceptual targets beneath the basalt. A provision for additional follow-up RCP drilling of 1,000 metres is made for Year 2 but will be contingent upon the assessment of results from the Year 1 program.

The two year program and budget for each of the Crokers Gully and Ben Lomond projects is summarised in Table 6.

TABLE 6.
SUMMARY PROGRAM AND BUDGET FOR THE CROKERS GULLY AND BEN LOMOND PROJECTS

Project	Year	Proposed Program	Budget ($)
Crokers Gully	1	Detailed geological mapping, in-fill rock chip sampling.	**25,000**
	2	IP survey, 1,000m of RCP drilling to test geochemical /geophysical targets.	**60,000**
Ben Lomond	1	Reconnaissance RCP drilling in no more than 2 holes for 400m to test conceptual targets beneath basalt.	**25,000**
	2	Follow-up RCP drilling (1,000m) on areas of interest emerging from Year 1 program.	**40,000**

Geonz considers that Paradigm's proposed program and budget for the Crokers Gully project will provide a definitive test as to whether the potential hard rock source for the alluvial gold is a stockwork quartz vein system and/or disseminated mineralisation in granite. If present, such a deposit may be amenable to mining by open cut methods.

The proposed program for the Ben Lomond area is very much in the category of 'grass-roots' exploration and therefore the modest budget allocated by Paradigm is considered appropriate for this project.

LAUREL HILL PROJECT

Location and Tenure

The Laurel Hill project is located 340 km south-west of Sydney and 25 km south of the small rural and mining town of Adelong in Central New South Wales as shown in Figure 9. The project area is covered by EL 5981 and has an area of 84 sq km.

Project Geology

The Laurel Hill project area is underlain by granite and granodiorite that is part of the multi-phase Silurian Wondalga Granodiorite. Hilltops and ridges are capped by Tertiary basalt flows that outcrop spasmodically for approximately 20 km to the south. Mapping and previous seismic survey data indicate that the thickness of the basalt cover rarely exceeds 70 metres. The Wondalga Granodiorite is the principal host for the gold mineralisation at Adelong and the goldfield is situated at the southern end of a 200 km long gold bearing zone that lies sub-parallel to the Gilmore Suture. Mines in the Adelong area produced an estimated total of 1.4 Moz of gold over the period from 1857 to 1941. Mineralisation typically occurred in pyritic quartz fissure reefs with some calcite and minor base metal sulphides. Multiple north-south trending shear zones that occupy a 0.5 – 1.5 km wide corridor are considered to be the main controlling structures for the formation of the reefs. There is also a reasonably well-documented spatial association of some of the higher grade gold concentrations with basic intrusive rocks.

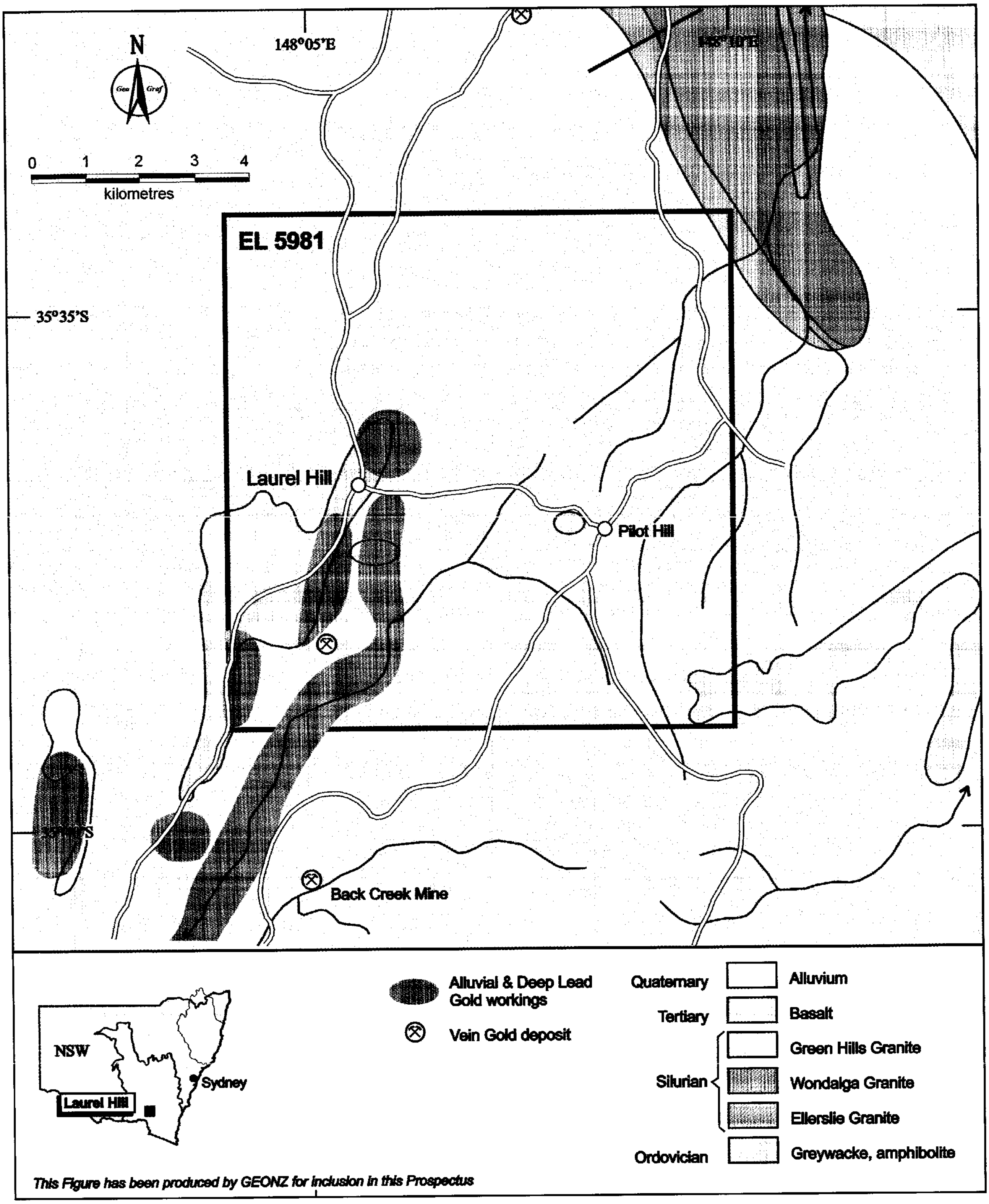


FIGURE 9 - Laurel Hill Project Regional Geology

Golden Cross Resources Ltd has recently announced their decision to reopen some of the old mines at Adelong. New development will be based on a resource of 417,400 tonnes at 4.0 g/t gold containing 54,000 oz of gold from within the Challenger and Challenger Extended zones together with gold bearing mullock dumps.

Historical Mining and Previous Exploration

Historic alluvial and deep lead gold workings are present around the edges of several basalt outcrops in the Laurel Hill district. A number of these occur in the south-west quadrant of the Paradigm project area as shown in Figure 9. Past alluvial and deep lead gold production from the Laurel Hill - Tumbarumba region is reported to be in excess of 100,000 oz.

There has been no significant previous hard rock exploration in the project area. Jingellic Minerals NL completed a series of regional seismic traverses in 1973 in an attempt to locate new placer and deep lead deposits.

Paradigm Exploration

Paradigm has completed literature review studies and project planning. Field exploration is scheduled to commence in the near future.

Exploration Potential

The distribution of the alluvial and deep lead workings in the Laurel Hill project area together with current and pre-basalt topography suggests that the gold has come from a primary hard rock source that may be underneath the basalt. This relatively small outlier covers an approximate area of 4 sq km and is situated immediately to the south of the Laurel Hill village. Shear and fault controlled gold bearing reefs and veins similar in style to those at Adelong are the most likely source. Old mining records show the average recovered gold grade at Adelong was 45 g/t. It is reasonable to expect that any newly discovered vein system may also have potential for high grade mineralisation.

Proposed Program and Budget

The exploration objective at Laurel Hill is to test for a hard rock source of the previously mined alluvial and deep lead gold mineralisation beneath the basalt. During Year 1 Paradigm plans to conduct a resistivity survey over the prospective area. This geophysical technique is suitable for the detection of sub-surface zones of silicification and major quartz vein structures. This work will be supplemented with geological mapping and detailed geochemical sampling, particularly around the edges of the basalt cap. Targets defined from these surveys will be tested with RCP drilling during Year 2. An estimated 1000 metres of RCP drilling has been allocated in the budget.

A summary of the two year program and budget is shown in Table 7.

TABLE 7.
SUMMARY PROGRAM AND BUDGET FOR THE LAUREL HILL PROJECT

Year	Proposed Program	Budget ($)
1	Resistivity surveys to locate quartz vein structures – zones of silicification. Geological mapping and detailed geochemical sampling around the edges of the basalt cap.	**40,000**
2	RCP drilling (1000m) of targets defined from Year 1 surveys. Follow-up of other areas of interest identified in Year 1.	**100,000**

Geonz has reviewed the proposed program and budget and discussed its content with the Directors of Paradigm. While there may be some potential for other styles of mineralisation beneath the basalt and elsewhere within the project area, Geonz considers the most prospective targets for economic gold mineralisation to be major quartz vein structures akin to those at Adelong. The program and budget as outlined will provide a good first-phase test for this type of deposit.

TOOGONG PROJECT

Location and Tenure

The Toogong project is located in central New South Wales, 250 km west of Sydney and 42 km west of Orange as shown in Figure 10. Exploration title for the project is EL 6056 and encompasses an area of 69 sq km.

Project Geology

The Toogong project lies within the Cowra – Yass synclinorial zone of the LFB and is underlain by Late Ordovician shoshonitic andesitic volcanics in the east and Silurian volcanics and sediments in the west. The Ordovician andesites are stratigraphically equivalent to the Forest Reef Volcanics that host porphyry copper-gold mineralisation at Cadia as described under the North Cadia Project section of this report. The Lower Silurian Canowindra Volcanics consist of garnet bearing quartz feldspar porphyry with minor shale, limestone and greywacke units. Silurian shale and siltstone crop out in the northern part of the project area. Elongate, generally north-east trending, belts of Tertiary basalt that are remnants of flows from the Mt Canobolas volcanic centre overlie the Paleozoic rocks through the centre of the Paradigm tenement as shown in Figure 10.

Conjugate sets of north-west and north-east trending faults traverse the project area and in places mark structural offsets of the basement stratigraphy. The Toogong tenement also lies within the Lachlan Transverse Zone.

Previous Exploration

The belt of Paleozoic rocks between Cowra and Wellington has been subjected to extended periods of exploration by various companies since the late 1960s. More recently a large area to the north and south of Manildra was covered by stream sediment BLEG sampling by Broken Hill Propriety Ltd ("BHP") in an attempt to locate epithermal style gold deposits similar to that discovered by them at Mt Aubrey near Baldry 45 km north-west of Manildra. Follow-up of unexplained BHP BLEG gold anomalies was carried out by Geopeko in 1993 but failed to locate any significant mineralisation. In 1996 CRA Exploration Pty Ltd conducted a brief episode of exploration for porphyry-style copper-gold mineralisation in the Orange – Molong – Yeoval area. Their program largely involved a re-examination of data and some additional soil and rock chip sampling at prospects identified by previous explorers. No significant results emerged from this work.

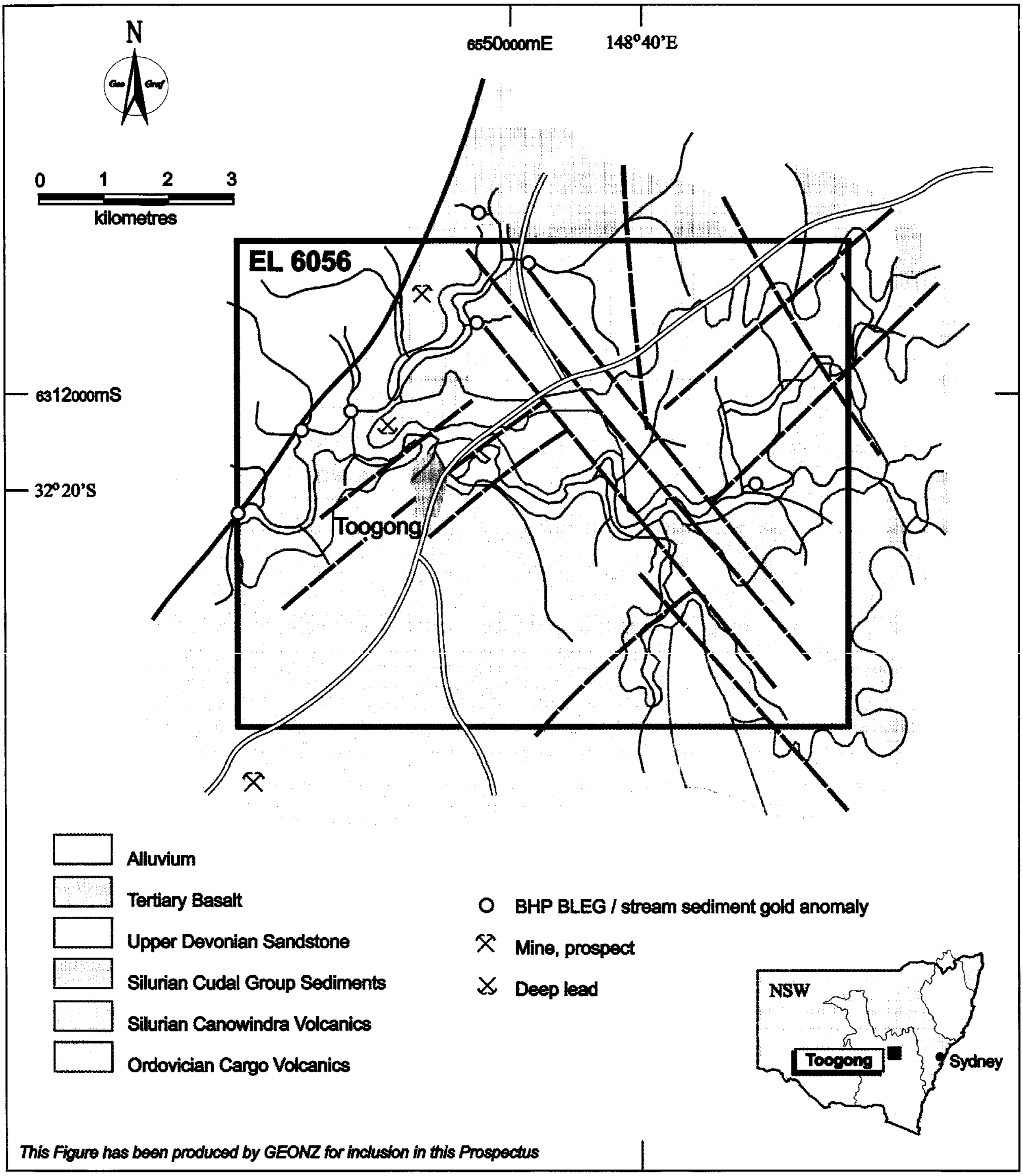


FIGURE 10 - Toogong Project Regional Geology

Exploration Potential

Unexplained anomalous gold values from previous BLEG stream sediment sampling are situated in an area of mapped Silurian stratigraphy and coincide with a zone cut by major north-east trending fault structures. Small alluvial gold workings have also been recorded from this general zone of interest, much of which is covered by Tertiary basalt. Better potential for the discovery of Cadia-Ridgeway style porphyry and stockwork copper-gold mineralisation exists in the eastern half of the project area where relatively large tracts of Late Ordovician shoshonitic rocks may be present under basalt. North-west trending structures are more prominent in this side of the exploration licence.

Proposed Program and Budget

Initial exploration at Toogong will comprise detailed geological mapping and geochemical sampling with particular attention being paid to the edges of the basalt for possible indications of geochemical leakage along the unconformity surface. Two lines of RAB drill holes are planned to test beneath shallow unconsolidated cover adjacent to the area of old gold workings. Targets defined from the Year 1 surveys will be tested with 1,000 metres of RCP drilling in Year 2. Some of these holes may have diamond core tails to enable better definition of geological characteristics and alteration mineralogy in the basement rocks.

The two year program and budget for the Toogong project is summarised in Table 8.

TABLE 8.
SUMMARY PROGRAM AND BUDGET FOR THE TOOGONG PROJECT

Year	Proposed Program	Budget ($)
1	Geological mapping and detailed geochemical sampling with particular attention paid to the edges of the basalt cap. RAB geochemical sampling adjacent to old alluvial gold workings.	**40,000**
2	RCP drilling (1000m) of targets defined from Year 1 surveys. Some holes may have diamond core tails. Follow-up of other areas of interest identified in Year 1.	**60,000**

Geonz supports the exploration approach proposed by Paradigm and consider that the program and budget as outlined will provide appropriate prospect definition outcomes. Further evaluation of detailed aeromagnetic data could also provide possible porphyry targets, particularly in the areas of exposed Ordovician Cargo Volcanics.

Queensland Projects

REDBED SPRING PROJECT

Location and Tenure

The Redbed Spring project area is located in North Eastern Queensland, 250 km south-west of Townsville and 100 km north of Hughenden, as shown in Figure 11. EPMs 13655 and 13700 comprise 60 and 56 sub-blocks respectively and cover a combined area of 334 sq km. Topography in the area is flat to low rolling hills and land use is predominantly for beef cattle grazing.

Project Geology

Basement rocks that underlie the project area comprise Cape River Group metamorphics of Proterozoic age intruded by Silurian granite and migmatite gneiss of the Dumbano Granite batholith. Felsic and intermediate pyroclastics, flows and high-level intrusives of Permian age that are part of the Montgomery Range igneous complex intrude and overlie the older rocks. The Montgomery Range volcanics outcrop in the south-east quadrant of the project area where they comprise altered ignimbrites that are commonly flow banded. Localised breccia development occurs along the contact with the Dumbano Granite in the vicinity of the Tag Alley prospect. Approximately half of the area is covered with Tertiary basalt flows and sediments that form flat lying caps on the higher terrain.

Historical Mining and Previous Exploration

There are no known old mine workings within the project area however alluvial gold mining has been reported from Scotts Creek located 20 km north of Reedy Springs homestead. At Mt Emu, 12 km to the south-east, narrow laminated quartz veins within a major shear zone in the Dumbano Granite were mined for gold, silver and base metals between 1910 and 1942. Recorded production for this period is about 75 kilograms (2,400 oz) of gold from about 1,900 tonnes of ore. Recent close spaced drilling at this prospect has defined an Inferred resource of 1.2 million tonnes at grades of 4.2 g/t gold, 87 g/t silver, 0.9% lead and 1.2% zinc.

Several companies conducted regional stream sediment sampling throughout the Range Creek – Reedy Springs area prior to the early 1990s. A number of anomalies were outlined including pan concentrate values up to 60 g/t gold, however only limited follow-up occurred until Dominion Mining Limited ("Dominion") took up the area in 1993. Exploration by Dominion and later by Dominion and Plutonic Resources Ltd in joint venture comprised regional geological mapping, stream sediment and rock chip sampling. Detailed geological mapping, soil geochemical sampling on 400 metre centres and IP surveys were completed over the Tag Alley prospect. Results of soil sampling outlined a north-east trending gold-arsenic zone with coincident anomalies on the northern and western sides of a breccia complex that outcrops along parts of the granite contact. Shallow drilling programs consisting of 23 RAB percussion and 11 RCP holes for a total of 1504 metres were completed. Several significant thicknesses of low tenor gold mineralisation were intersected in the drilling including 28 metres at 0.32 g/t gold in Hole 94RSP-10 and 18 metres at 0.30 g/t gold in Hole 95RSR-28. The approximate location of these holes is shown in Figure 11.

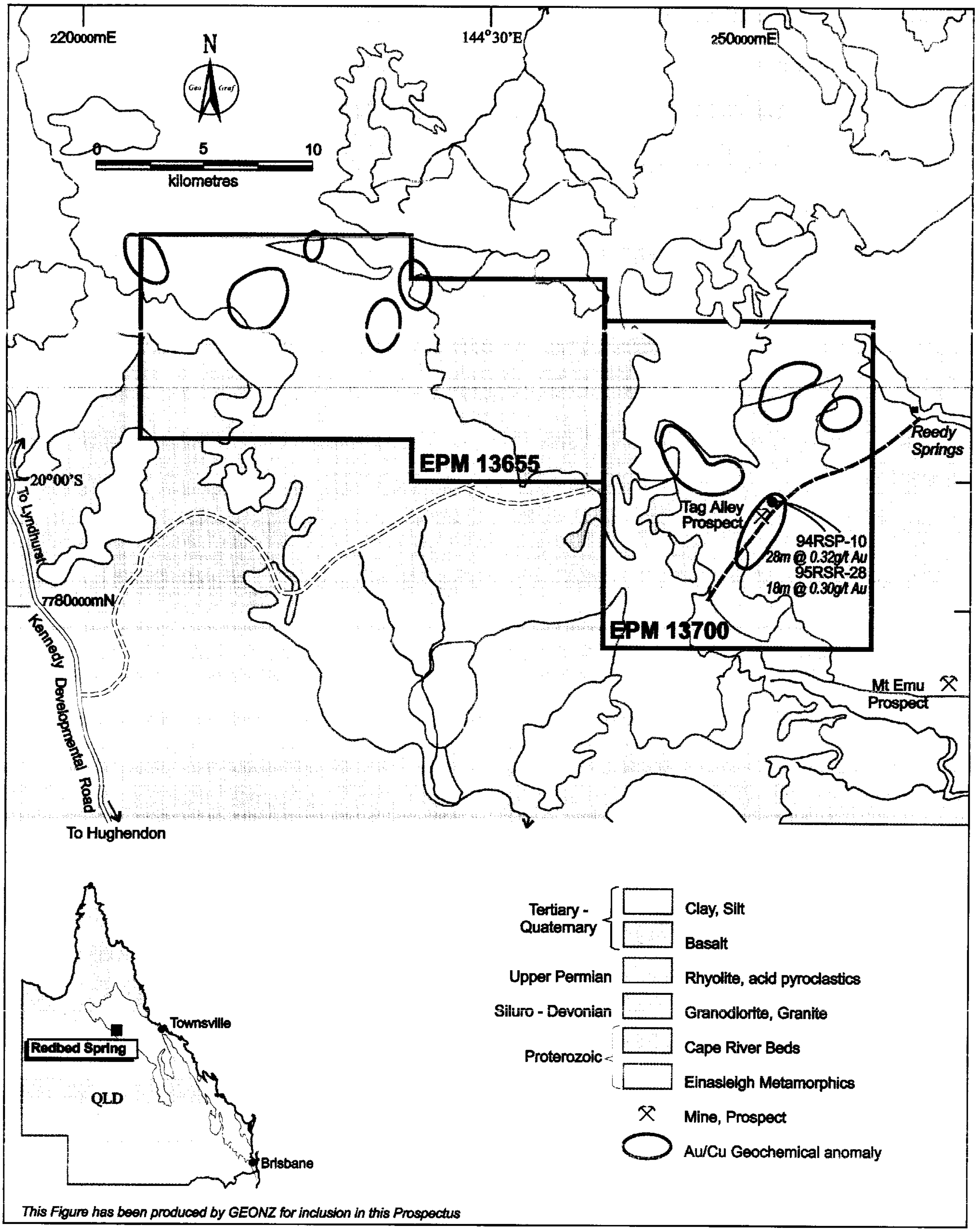


FIGURE 11 - Redbed Spring Project Regional Geology

Paradigm Exploration

Exploration by Paradigm commenced with a literature review and digital compilation of open file reports of previous company data. Of particular interest are several unexplained stream sediment anomalies for gold and/or copper in streams draining the edges of the basalt. Aeromagnetic images show several significant features including a major north-west trending structure that traverses the project area. Aeromagnetic 'lows' occur over both the Tag Alley prospect and parts of the basalt.

Exploration Potential

A broad area of pervasive pyrite, sericite, kaolin hydrothermal alteration with minor silica is present at Tag Alley. Parts of this zone contain significant intervals of low-grade gold mineralisation. This geological setting presents a favourable environment for the discovery of a large low-grade disseminated epithermal-style deposit. During our site visit we noted that the breccia zone at the contact with the Dumbano Granite appears to be narrow and probably has limited exploration potential.

Hydrothermal alteration associated with mineralisation in major disseminated gold deposits can often result in the depletion of magnetic minerals in the host rock. Several magnetic 'lows' exist in areas underlain by basalt at Redbed Spring. These features, in conjunction with unexplained geochemical anomalies, indicate good potential for gold mineralisation beneath the younger cover rocks.

The gold deposit at nearby Mt Emu suggests there may also be potential for shear zone related mineralisation on major fault structures.

Proposed Program and Budget

The main exploration objective for the Redbed Spring project in Year 1 is to further develop the Tag Alley prospect and to discover zones of higher tenor disseminated gold mineralisation that may be amenable to extraction by open pit mining. This will be achieved through a program of additional geochemical sampling and geological mapping supplemented by RCP drill testing of worthwhile targets. Regional exploration will focus on drilling of magnetic anomalies to test basement rocks in areas that are under cover. Follow-up drilling planned and budgeted for in Year 2 will be contingent on the results of the first year exploration.

A summary of the two year program and budget is shown in Table 9.

TABLE 9.
SUMMARY PROGRAM AND BUDGET FOR THE REDBED SPRING PROJECT

Year	Proposed Program	Budget ($)
1	Geochemical sampling and geological mapping together with RCP drilling at the Tag Alley prospect. RCP drill testing of magnetic anomalies under cover.	**75,000**
2	Follow-up RCP drilling (1000m) of targets defined from Year 1 program.	**100,000**

The proposed program and budget for the Redbed Spring project has been reviewed by Geonz. We support the initial exploration focus being directed towards further evaluation of the Tag Alley prospect.

CHUDLEIGH PARK PROJECT

Location and Tenure

The Chudleigh Park project area is located 260 km west of Townsville and 120 km north of Hughenden in North Queensland. Exploration title comprises EPM 13651 of 58 sub-blocks and covers an area of 167 sq km as shown in Figure 12. The tenement covers sub-tropical scrub and pasture land that is used mainly for beef cattle grazing. A small prospecting reserve, that covers an area of 5.7 sq km where gem hunters gather peridot from weathered coarse olivine basalt, is excised from the exploration permit.

Project Geology

The geological setting at Chudleigh Park is similar to that of the Redbed Spring project to the east. Basement rocks are high-grade metamorphics of Proterozoic age (Einasleigh and Juntala Metamorphics) that have been intruded by a small granite body of Siluro-Devonian age and by later small rhyolite porphyry dykes and plugs of probable Carboniferous age belonging to the Montgomery Range Igneous Complex. More than half the basement rocks within the project area are covered by Lower Cretaceous sediments and Tertiary basalt flows. Several Tertiary volcanic vents have been mapped by government geologists. Brecciated, multiphase epithermal quartz veins with anomalous gold and silver outcrop in the centre of the tenement.

Previous Exploration

No historical mining activity of significance is recorded from the Chudleigh Park project area. Several small copper shows and uranium prospects occur outside the tenement to the north.

Several exploration companies have explored the Chudleigh Park–Gregory Range region in the past for a wide range of commodities including gold, tungsten, nickel, copper, lead, zinc, uranium and diamonds. These exploration programs were mostly of a regional nature and relied heavily on various forms of drainage sampling. In some instances the geochemistry was supported with airborne radiometric and magnetic surveys. Only limited follow-up of anomalies appears to have taken place.

Paradigm Exploration Results

Open file literature research by Paradigm has defined several drainage gold geochemical anomalies that are considered to have been inadequately followed-up by previous explorers. The location of these anomalies is shown on Figure 12. Regional reconnaissance mapping has located one small outcropping multi-phase epithermal quartz vein. A chip sample collected by Geonz from this site was not anomalous in gold or base metals. Several other veins have been mapped by previous explorers and some of these are shown on Figure 12.

Exploration Potential

Epithermal quartz lodes host the high-grade gold mines at Pajingo and Vera Nancy near Charters Towers. Other productive examples of these deposits in the North Queensland region include Wirralee, Yandan and Mt Coolon. Some of the known veins in the Chudleigh Park project occur in areas of poor outcrop and therefore grid-based geochemical and geophysical surveys may be required to map the limits of the prospective structures and to define drill targets. Detailed regional mapping may discover additional veins.

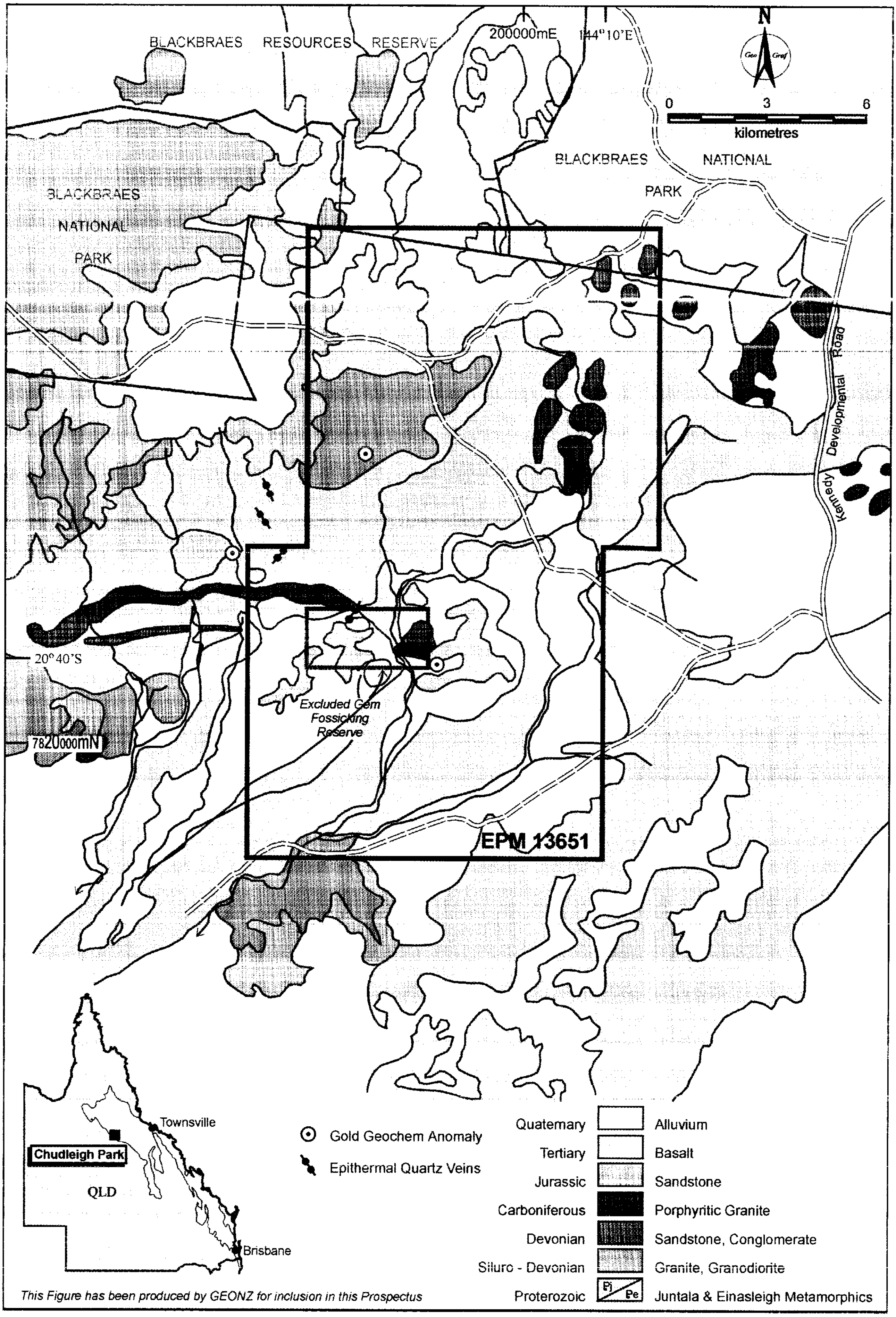


FIGURE 12 - Chudleigh Park Project Regional Geology

Proposed Program and Budget

The Year 1 program will follow-up drainage gold anomalies that have emerged from Paradigm's review of open file exploration data. Systematic rock chip and soil sampling will be undertaken on and around quartz veins that outcrop. The Year 2 program will include RCP drilling of geochemical targets outlined from results of the work during the first year.

The two year program and budget for the Chudleigh Park project is summarised in Table 10.

TABLE 10.
SUMMARY PROGRAM AND BUDGET FOR THE CHUDLEIGH PARK PROJECT

Year	Proposed Program	Budget ($)
1	Follow-up of known drainage gold anomalies. Rock chip and soil geochemical sampling in areas of outcropping quartz veins.	**50,000**
2	Preliminary RCP drill testing (800m) of targets defined from Year 1 exploration.	**50,000**

Geonz has reviewed the program and budget as outlined above. We consider that contingent upon the outcome of the initial follow-up of drainage gold anomalies, additional funds may need to be allocated for ground geophysical surveys to assist target definition at some of the more promising prospects prior to drilling.

LIGHTHOUSE GULLY PROJECT

Location and Tenure

The Lighthouse Gully project is located in central eastern Queensland 350 km north west of Brisbane and 40 km south of the small mining town of Cracow. The project area consists of a single granted exploration permit EPM 13878 of 36 sub-blocks and covers an area of 103 sq km as shown in Figure 13.

Project Geology

Gold-silver mineralsation in the Cracow district occurs in quartz lodes hosted in a mixed sequence of andesitic and dacitic rocks belonging to the Camboon Andesite formation of Lower Permian age. Rock types include lavas and coarse and fine pyroclastic rocks that have been deposited at the southern end of the calc-alkaline Camboon Volcanic Arc. The andesitic volcanic belt has a north-north-west strike and in the Cracow region units dip west at around 25 degrees. To the east the Camboon andesite unconformably overlies Carboniferous acid lavas and pyroclastics of the Torsdale Beds while to the west the andesite is overlain by an Upper Permian sedimentary sequence that has a basal limestone unit (Oxtrack Formation) and coal measures near the top (Baralaba Coal Measures). The Torsdale Beds have been intruded by granodiorite and adamellite of Upper Carboniferous age. Lower Jurassic sandstone outliers unconformably overly the older rocks and form caps on elevated terrain.

Jurassic sandstones of the Evergreen Formation and the Precipice Sandstone overlie the older basement rocks over the entire surface area of the Lighthouse Gully project. Continuation of the Camboon Andesite beneath the sedimentary cover is evident from the aeromagnetic data (Fig 13) and inliers of Camboon Andesite and acid tuff of the Torsdale Beds occur immediately to the east of EPM 13878. Previous drilling by BP Minerals Australia ("BP") indicates the thickness of the cover ranges from 40 metres to in excess of 100 metres over the project area.

At the Golden Plateau deposit, economic gold mineralisation occurred in structurally controlled epithermal quartz-adularia-calcite veins and adjacent zones of silicification. The lodes varied in width from 1 to 25 metres and are thought to have formed from multiple pulses of hydrothermal fluids. This pulsing mechanism may also have been responsible for the consistently high grades found in some of the veins. Vein breccias are a prominent feature of many of the lodes and probably developed when earlier sealed, quartz filled, structures were broken and reinjected with later pulses of mineralising fluid.

During the period from 1933 to 1976 the underground Golden Plateau mine produced 18,528 kilograms (596,000 oz.) of gold and 20,902 kilograms of silver from 1.55 million tonnes of ore at an average grade of 12.2 g/t gold and 13.5 g/t silver. The ore was mined from a series of shoots within a generally east – west trending and south dipping 1 km long structural zone. The quartz lodes were thicker and richer in areas adjacent to cross faults that offset the east – west vein structures. More recent mining at Golden Plateau saw the development of an open pit based on mineralisation marginal to the previously mined lodes. This operation produced 5,320 kilograms (171,000 oz.) of gold at an average grade of 4.2 g/t during the six year mine life between 1987 and 1993.

Since 1996 Newcrest, in joint venture with Sedimentary Holdings NL, has reported encouraging results from drilling of the old Klondyke mine area immediately to the north of Cracow. High-grade gold mineralisation is associated with epithermal quartz-stockwork veining and vein-breccia. Newcrest has announced a mineral resource in excess of 24,900 kilograms (800,000 oz) of gold for the various ore shoots that are currently being drilled.

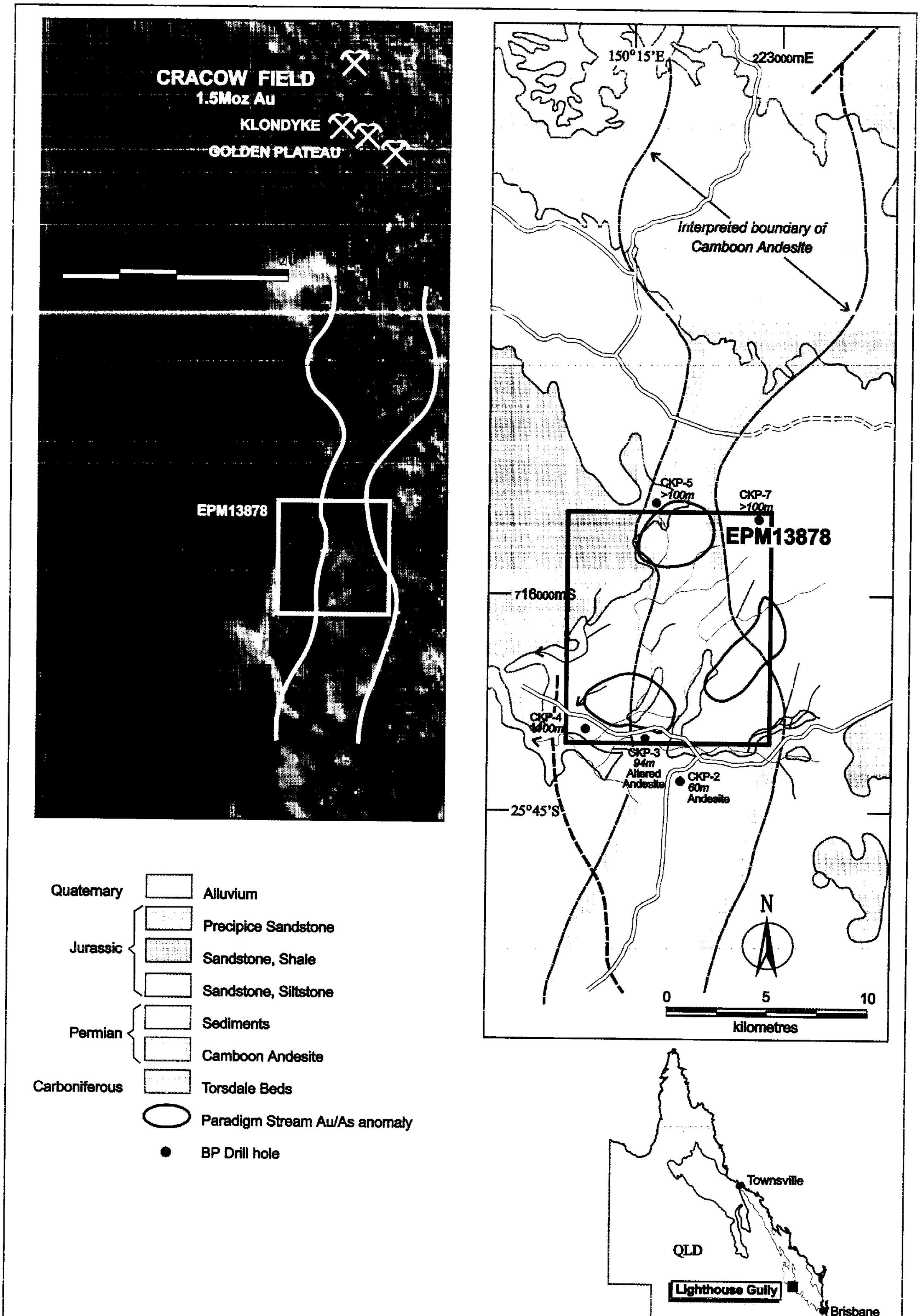
Previous Exploration

There are no old mine workings or prospects within the Lighthouse Gully project area. Early mineral search in the region involved unsuccessful exploration for uranium in the Jurassic sandstones of the Bowen Basin. In 1984 Seltrust Mining Corporation took out an Authority to Prospect to explore for Cracow style epithermal gold deposits and a twelve month exploration program was completed on their behalf by BP. A detailed aeromagnetic survey was flown over the entire tenement and results were used to interpret the sub-Jurassic basement geology. A limited program of percussion drilling involving seven holes for a total of 689 metres was carried out to test the cover thickness and targets defined from the aeromagnetic survey. Only two of the holes bottomed in the basement Camboon Andesite and rock chip samples from Hole CKP-3 showed evidence of propylitic style hydrothermal alteration. The location of these drill holes is shown in Figure 13.

Paradigm Exploration

Exploration completed by Paradigm includes reconnaissance geological mapping and stream sediment sampling over the entire project area. A total of 27 stream sediment samples have been collected and analysed for a wide range of elements. Four weakly anomalous gold values have been recorded and their location is shown in Figure 13. Geological mapping has not located any new exposures of the older basement rocks.

Interpretation of regional aeromagnetic data by Paradigm has defined the probable extension of the Camboon Andesite beneath the Jurassic cover



This Figure has been produced by GEONZ for inclusion in this Prospectus

FIGURE 13 - Lighthouse Gully Project Regional Geology

and also several major fault structures within the project area. Small circular magnetic 'lows' may represent zones of magnetite destruction associated with hydrothermal alteration.

Exploration Potential

North-east and north-west trending fault structures in the basement rocks have been interpreted from the regional aeromagnetic data over the Lighthouse Gully project area. These are of similar attitude to those at Cracow. Stream sediment gold anomalies may possibly be related to leakage of metals from the underlying older volcanics. These features indicate the project area has potential for the discovery of precious metal mineralisation beneath relatively thin cover rocks.

Proposed Program and Budget

Exploration by Paradigm on the Lighthouse Gully project has defined several targets that have potential for the discovery of an epithermal gold deposit. The Year 1 program and budget for this project will be aimed at further assessment of the four gold anomalies and follow-up evaluation of the area of hydrothermal alteration recorded from the BP drill hole. An estimated 1,000 metres of RCP drilling has been allowed for. Ground magnetic and trial IP surveys will be conducted in areas of interest. IP is a geophysical technique that can sometimes detect large zones of silicification that are resistive as well as chargeable zones associated with disseminated sulphides. One or both of these features may accompany gold-bearing quartz vein structures in the basement rocks. RCP drill testing of targets that emerge from the Year 1 program will be carried out during Year 2.

A summary of the Lighthouse Gully program and budget is shown in Table 11.

TABLE 11.
SUMMARY PROGRAM AND BUDGET FOR THE LIGHTHOUSE GULLY PROJECT

Year	Proposed Program	Budget ($)
1	Ground magnetic and trial IP surveys across target structures and to follow-up drainage gold anomalies. RCP drilling (1,000m) with diamond core tails.	**75,000**
2	Follow-up RCP drill testing (2,000m) of targets defined from Year 1 exploration.	**120,000**

Geonz has reviewed the program and budget as outlined above and we endorse the exploration strategy proposed by Paradigm. Initial drilling should enable an assessment to be made as to the validity of gold anomalies that occur in streams draining the Jurassic sediments and whether these are related to mineralisation in the basement rocks. A consequence of the total cover will be the need for a heavy emphasis on drilling in ongoing exploration programs. Successful outcomes will require a commitment from the Company to persevere with this approach.

MONOGORILBY PROJECT

Location and Tenure

The Monogorilby project area is located 250 km north-west of Brisbane and 80 km north of Chinchilla Queensland. EPM 13877 comprises 42 sub-blocks and covers an area of 121 sq km and EPMA 14083 to the east comprises 26 sub-blocks and covers an area of 75 sq km.

Project Geology

The oldest rocks that outcrop in the Monogorilby project area are Carboniferous basic to acid lavas, pyroclastics and shallow water sediments that have been intruded by the Boyne River granite batholith of Permian age in the east. Volcanic and volcaniclastic rocks in the Allies Creek region show widespread albite/epidote alteration and copper-lead-zinc and gold mineralisation in old mine workings is hosted in calc-silicate skarn. This alteration and skarn development is most likely a result of contact metasomatism related to the emplacement of the granite. Jurassic sandstone units, that are part of the Evergreen Formation, unconformably overly the older rocks and cover a large part of the exploration tenements. Small areas of Tertiary basalt cap the sandstone in parts of the project area and are probably remnants of flows that originally filled fossil drainage channels.

Historical Mining and Previous Exploration

The only known old workings in the Monogorilby project area occur east of the Allies Creek saw mill. They consist of numerous collapsed shafts and shallow prospecting trenches that vary in length from 2 metres to 20 metres. In 1986 Gold Fields Exploration Pty Ltd conducted exploration in the Monogorilby region including stream sediment sampling and geological mapping. An area surrounding the old Allies Creek copper workings was grided, soil sampled and mapped. Anomalous gold values up to 6.0 g/t were recorded from sampling of the material from the old mine dumps but the prospect was never drilled.

Exploration Potential

The principal exploration target for Paradigm at Monogorilby is a pronounced magnetic 'low' that is located in the centre of EPM 13877. Aeromagnetic images also show a major north-south trending fault structure that cuts across the centre of the low. Two parallel prominent lineaments define a north-east trending structural corridor, the southern boundary of which lies along the contact between the Carboniferous rocks and Boyne River granite.

These features combine to form a favourable geological environment for the discovery of epithermal and breccia related gold mineralisation similar to that at other major deposits in the Tasman Fold Belt system of eastern Queensland.

Geonz considers there is also potential for an economic skarn deposit in the Monogorilby project area. Skarn and calc-silicate horizons often contain massive magnetite and, in addition to base metals, can have a significant gold content. Dump sampling by previous workers has established that there is anomalous gold in these types of rocks at Allies Creek. Magnetite skarns have the added exploration advantage of being detectable with airborne and ground magnetic surveys.

Proposed Program and Budget

Paradigm have developed a two year program and budget for the Monogorilby project. Initial exploration will include a regional stream sediment survey with the objective of locating zones of possible migration or leakage of metals from the underlying basement rocks in areas of younger cover. It will also serve as a primary geochemical prospecting tool in areas underlain by Carboniferous volcanics. Reconnaissance RCP drilling of 600 metres will be conducted in several widely spaced holes over the magnetic low target. Results of this program will enable Paradigm to determine the cause of the anomaly and provide some information regarding the depth of cover in this part of the tenement. Detailed geological mapping, geochemical sampling and ground magnetic surveys are planned for the Allies Creek prospect. Provision is made for a further 1,000 metres of follow-up RCP drilling in Year 2 but will be contingent on the results achieved from the first year program.

The two year program and budget prepared by Paradigm summarised in Table 12.

TABLE 12.
SUMMARY PROGRAM AND BUDGET FOR THE MONOGORILBY PROJECT

Year	Proposed Program	Budget ($)
1	Regional stream sediment survey. RCP drill testing (600m) of magnetic low. Follow-up mapping and sampling of any drainage anomalies. Detailed mapping, geochemical and magnetic surveys at the Allies Creek prospect.	**70,000**
2	Follow-up RCP drill testing (1,000m) of targets defined from Year 1 exploration.	**60,000**

The proposed program and budget for the Monogorilby project has been reviewed by Geonz. The planned exploration and funds allocation is considered to be appropriate and adequate given that this is essentially a 'greenfields' project. Any early success is likely to elevate the importance of this project in relation to the other properties in Paradigm's portfolio.

Statement of Capability and Independence

Geonz Associates Ltd is a consultant to the mining industry with a twenty year history of the successful completion of contracts for clients in Australia, New Zealand, Canada, North and South America and Indonesia. Specialist services provided to clients include ore reserve and mineral resource estimates, project evaluation, due diligence and technical appraisal of acquisition opportunities, independent expert reports and supervision of exploration programs for a wide range of commodities.

The author of this report, Mr. Gary J. Jones, is a qualified geologist with a Bachelor of Science degree from Auckland University. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Society of Economic Geologists (SEG). He has over thirty five years experience in mineral exploration including fifteen years with a major Australian mining company. He has broad ranging experience in volcanic, porphyry and epithermal systems and is credited with the discovery of the Northparkes porphyry copper-gold deposits in central New South Wales while employed as Supervising Geologist, NSW, with Geopeko. He also had a major input into the area selection and initial regional exploration programs that ultimately led to the discovery of the Cowal porphyry gold deposit currently being developed by Barrick Gold of Australia Limited.

Geonz Associates Ltd and the author of this report are independent of Paradigm Gold Ltd and all of it's associated companies and have no interest in, or entitlement to, any of the project titles or other securities or assets of Paradigm. Geonz will receive a normal professional fee based on standard rates plus reimbursement of expenses for the preparation of this report. The payment of these fees is not contingent upon the outcome of the proposed equity raising, pursuant to the Prospectus for which this report has been written. Geonz has had no prior business relationship with Paradigm.

Limitations and Consent

This assessment has been based on reports, maps and other data made available by Paradigm or obtained from Geonz's own records and from information available in the public domain together with visits by the undersigned to the key site areas. The statements contained herein represent an independent assessment by the author of Paradigm's assets based on that information. All of the information has been presented to us in a competent manner, and we have been lead to believe it to be true, complete as to material details, and not misleading.

Copies of this report in draft form were provided to Directors of Paradigm for comment as to any errors of fact or misinterpretation, or substantive disagreements as to the assumptions we have made. Based on their replies, we have made certain changes to the draft supplied to the Company, and we believe that our main assumptions have now been endorsed by the Company's directors.

This report was compiled for Paradigm for the purpose of assisting potential investors in their assessment of the technical merit of the projects and risks associated with an investment in Paradigm and should not be used or relied upon for any other purpose. The work undertaken for the purposes of this report is not and should not be regarded as a full technical audit of the projects reviewed.

Geonz and its shareholders, directors and associates have received an indemnity from Paradigm for any and all losses, claims, damages or other liabilities that arise pursuant to the circulation of this report.

Geonz and the undersigned consent to the inclusion of this assessment report, in the form and context in which it appears in the Paradigm Prospectus dated on or about 19 September 2003 and to the references to this report made elsewhere in the Prospectus. Geonz has not withdrawn its consent prior to the lodgement of the Prospectus with the Australian Investment and Securities Commission.

Yours faithfully,
Gary J. Jones

Director
Geonz Associates Ltd

Information Sources

The principal references utilised in the preparation of this report are listed below. None of these documents constitute Expert Reports. In the case of open file reports on exploration projects, only the most recent report on each tenement is listed. In all cases, the most recent report refers to and summarises work covered in earlier open file reports.

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Exploration & Mining Title Services Pty Ltd
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Paradigm Gold Limited
Independent Exploration Titles Report

1. Introduction

1.1 Scope of Instructions

The following report has been prepared independently and in compliance with the Valmin Code.

Hetherington Exploration & Mining Title Services Pty Ltd ("HEMTS") has been instructed by Paradigm Gold Limited ("the Company") to conduct searches of and outline the rights conferred by the exploration titles and application which are held by or have been lodged on behalf of the Company, as set out in the attached table (collectively referred to as "the Tenements").

1.2 Qualifications

Russell Hetherington has approximately twenty five years experience in exploration and mining tenement management across Australia. Russell Hetherington is a member of the Australian Mining and Petroleum Law Association and a member of the Business Law Section of the Law Council of Australia.

1.3 Independence

HEMTS is independent from the Company within the meaning of the Valmin Code. HEMTS's costs of preparing this report have been calculated at its normal charge out rate.

2. Commentary on the Tenements

For the purpose of this report the commentary on the Tenements is separated into those located in New South Wales and those located in Queensland.

2.1 New South Wales Tenements

The following information has been obtained from the New South Wales Department of Mineral Resources ("the DMR") and the National Native Title Tribunal.

2.1.1 General

Paradigm NSW Pty Limited is the holder of the following Exploration Licences ("the NSW Exploration Licences") in New South Wales –

- Exploration Licence No 5963 (1992)
- Exploration Licence No 5976 (1992)
- Exploration Licence No 5980 (1992)
- Exploration Licence No 5981 (1992)
- Exploration Licence No 5996 (1992)
- Exploration Licence No 6028 (1992)
- Exploration Licence No 6056 (1992)
- Exploration Licence No 6117 (1992)

The NSW Exploration Licences have all been granted in respect to Group 1 minerals, which are metallic minerals such as gold, silver, copper, etc.

2.1.2 Aboriginal Sites

Although there has not been time to carry out the relevant searches, it is likely that there are a number of Aboriginal sites within the areas subject to the NSW Exploration Licences. Aboriginal sites are registered on the Aboriginal Site Registry of the National Parks and Wildlife Service. It is an offence to knowingly destroy or damage a relic without the consent of the National Parks and Wildlife Service (Section 90 National Parks and Wildlife Act 1974 (NSW)). The issue of Aboriginal sites is distinct from that of Native Title (see below).

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Tel: 08 9228 9677
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2.1.3 Exclusion

The NSW Exploration Licence documents exclude land vested in the Commonwealth of Australia and land subject to any National Park, historic site, nature reserve, State game reserve or Aboriginal area at the date of the grant of the relevant Exploration Licence. Time does not permit an investigation into whether there is any land vested in the Commonwealth of Australia, historic site, nature reserve, State game reserve or Aboriginal area.

There are no National Parks overlapping the NSW Exploration Licences although the Mt Canobolas State Conservation Area is situated prominently within the middle of Exploration Licence No 5963. An "exempt area operations" approval will be required pursuant to Section 30 of the Mining Act 1992 (NSW) prior to exploring within this area.

The Canobolas State Forest lies within both Exploration Licences No's 5963 and 6028. A Section 30 approval is required to explore within that State Forest. A Section 30 approval to undertake four wide spaced percussion drillholes within the State Forest was granted by the DMR on 13 December 2002.

2.1.4 Exploration Licence Conditions

The conditions attached to each of the NSW Exploration Licences relate to environmental management of exploration, reporting requirements, rehabilitation of affected land and lodgement of security deposits (these have been lodged).

2.1.5 Expenditure and Reporting Requirement

The DMR advises that all reporting obligations have been complied with to date. The expenditure commitment for Exploration Licence No 5963 has been complied with, but expenditure figures for the other Exploration Licences are not yet available as the annual reports (which contain expenditure figures) for those Exploration Licences have not yet fallen due.

2.1.6 Native Title

The DMR database (which is not completely accurate or up to date) indicates that there is at least some land within each of the NSW Exploration Licences on which native title probably still exists ("Native Title Land"). It must be understood that the status of any native title in land cannot be determined with any certainty until a thorough search of each parcel of land is carried out. Such searches are beyond the scope of this report.

In areas as large as those subject to the NSW Exploration Licences, it would be unusual if there were not at least some Native Title Land within each Exploration Licence. The amount of Native Title Land in each Exploration Licence ranges from a couple of isolated pockets to a very substantial portion of the relevant Exploration Licence.

Exploration Licences No's 5980, 5981 and 5996 are "Low Impact Exploration Licences". A Low Impact Exploration Licence allows exploration on Native Title Land which does not involve activities such as clearing of vegetation, drilling in a watercourse, or excavation. However, an access agreement with native title holders is still necessary before carrying out low impact exploration on Native Title Land.

Exploration Licences No's 5963, 5976, 6028, 6056 and 6117 have all been granted with the "Minister's consent" condition included. This means that before carrying out exploration on Native Title Land, the Minister's consent must be obtained. The Minister will not grant consent until the Right to Negotiate process prescribed by the Native Title Act 1993 (Cth) ("the NTA") has been undergone. Exploration carried out pursuant to the "Minister's consent" condition normally includes high impact activities, such as clearing of vegetation, which are not permitted under a Low Impact Exploration Licence.

Both Low Impact Exploration Licences and Exploration Licences with the Minister's consent condition allow exploration to take place without regard to the NTA on non-Native Title Land.

Compliance with the NTA, either by undergoing the Right to Negotiate process or by obtaining an indigenous land use agreement, will be necessary before the grant of any Mining Lease on Native Title Land.

Of all the NSW Exploration Licences, only Exploration Licence No 5980 is subject to a Native Title Claim, namely, Native Title Claim No NC97/28 lodged on 29 September 1997 by the Djiringanj Aboriginal People. This claim has not yet passed the registration test prescribed by the NTA and until that happens the Claimants have no procedural rights under the NTA in respect to any exploration or mining activities.

The issue of whether or not a Native Title Claim applies to any of the NSW Exploration Licences is irrelevant to the requirement to comply with the NTA process if the relevant land is Native Title Land. The presence of a registered Native Title Claim simply means that it will be necessary to reach an agreement with native title holders before proceeding with the relevant exploration or mining activity. This may not be the case where there is currently no registered Native Title Claim.

2.2 Queensland Tenements

The following information has been obtained from the Queensland Department of Natural Resources and Mines ("the DNRM"), and the Queensland Environmental Protection Agency. Native Title Claim information has been obtained from the National Native Title Tribunal.

2.2.1 General

Paradigm Queensland Pty Ltd is the Applicant or holder in respect to the following Exploration Permits for Minerals ("the Queensland EPMs") in Queensland:

- Exploration Permit for Minerals 13651
- Exploration Permit for Minerals 13655
- Exploration Permit for Minerals 13700
- Exploration Permit for Minerals 13877
- Exploration Permit for Minerals 13878
- Exploration Permit for Minerals 14083

Exploration Permit for Minerals ("EPM") 14083 is still a pending Application, whereas EPMs 13651, 13655, 13700, 13877 and 13878 have all been granted in respect to all minerals except for coal.

2.2.2 Native Title Issues

Time does not permit a thorough search of the background land tenures within the Queensland EPMs (in order to determine which individual land tenures are Native Title Land or non-Native Title Land as the case may be). As a general statement, it may be said that the Queensland EPMs are located on Native Title Land.

Each of the Queensland EPMs is subject to one or more Native Title Claims. EPM 13651 is subject to Native Title Claim No QC02/22 lodged by the Kudjala Jirandali and Mbara Ngawun People. EPM 13655 is subject to Native Title Claim No QC02/24 lodged by the Kudjala and Jirandali People #2. EPM 13700 is subject to Native Title Claim No QC02/31 lodged by the Kudjala Jirandali People #3. EPM 13877 is subject to Native Title Claim No QC99/33 lodged by the Wakka Wakka People #2 and by Native Title Claim No QC00/10 lodged by the Djakunde and Jangerie Jangerie Peoples. EPM 13878 is subject to Native Title Claim No QC99/7 lodged by the Wulli Wulli People. EPM 14083 is subject to Native Title Claim No QC99/33 lodged by the Wakka Wakka People #2 and by Native Title Claim No QC00/10 lodged by the Djakunde and Jangerie Jangerie Peoples.

EPMs 13651, 13655 and 13700

These EPMs have been granted over non-Native Title Land and for low impact activities only on Native Title Land. The holder has served consultation period notices on the relevant registered Native Title Claimants pursuant to Section 490 of the Mineral Resources Act 1989 (Qld) ("the MRA"). The consultation period commenced on 18 July 2003 and lasts for a period of two months, however this period can be further extended if all parties agree.

An access agreement to allow low impact activities to occur over the Native Title Land must be lodged before exploration can take place on that land. "Low impact" exploration does not involve activities such as clearing of vegetation, drilling in a watercourse, or excavation. "Normal" EPMs do not have such restrictions.

EPM 13877

This EPM has been granted over non-Native Title Land only. No exploration activities can be conducted on any Native Title Land within EPM 13877.

EPM 13878

This EPM has been granted over non-Native Title Land and for low impact activities only on Native Title Land. The holder has served the consultation period notice. The consultation period commenced on 28 July 2003 and lasts for a period of two months, subject to further extension if all parties agree.

An access agreement must be lodged before exploring on Native Title Land.

EPM 14083

This Application is expected to proceed to grant under the Right to Negotiate (Expedited Procedure) option set out in the NTA. The DNRM has recently sent a pre-offer letter to the Applicant providing details of the offer and terms and conditions of grant and procedures to progress the Application through the Expedited Procedure. The DNRM has offered the Applicant assistance by offering to prepare the public notice and advertising the said notice at the Applicant's expense. The Applicant has accepted this offer of assistance. Upon placement of the advertisement, a four month objection period will commence. If no objections are lodged in respect to the Application at the end of that four month period, the DNRM can grant the tenement subject to certain native title conditions. These native title conditions will become conditions of tenure with which the holder must comply. If any objections are successfully lodged, then the Application will undergo the normal Right to Negotiate process.

2.2.3 Environmental Matters

EPMs 13651 and 13655

These EPMs have been issued with standard Environmental Authority ("EA") No M7379. This EA is a project EA and includes EPMs 13651 and 13655 and three other EPMs which are no longer current (EPMs 13650, 13653 and 13676). It should be noted that EPM 13651 was granted exclusive of the area contained in the National Park situated along the northern section of that tenement. EPM 13651 includes the following Environmentally Sensitive Areas ("ESA"): Category A ESA National Park, Category B ESA – Endangered Regional Eco-Systems and Category C ESA – Resource Reserve.

As the EA in question is a standard EA, the holder must comply with all conditions of the Code of Environmental Compliance or Exploration Mineral Development Projects dated January 2001. This Code details various exclusion zones around the Category A and B areas where exploration activities cannot occur (i.e. 1,000 metres for Category A and 500 metres for Category B).

A total security deposit of $2,500 (cash) is currently held against the EPMs in this project.

EPM 13700

This EPM has been issued with standard EA No MIM500019102. EPM 13700 includes Category B ESA – Endangered Regional Eco-Systems.

See the comments above concerning the obligations of a holder of a standard EA.

A security deposit of $2,500 (cash) is currently held against this EPM.

EPMs 13877 and 13878

These EPMs have both been issued with standard EA No MIM500061702 as a project EA. EPMs 13877 and 13878 include Category B ESA – Endangered Regional Eco-Systems and Category C ESA – State Forest.

See the comments above concerning the obligations of a holder of a standard EA.

Total security deposit of $2,500 (cash) is currently held against both of the EPMs in this project.

EPM 14083

The Environmental Protection Agency has issued a standard EA No MIM500148003 for EPM 14083. EPM 14083 includes Category B ESA – Endangered Regional Eco-Systems and Category C ESA – State Forest. See above comments concerning the obligations of a holder of a standard EA. The EA will come into effect upon the grant of EPM 14083.

A security deposit of $2,500 will be required to be lodged by the Applicant prior to grant of the EPM.

2.2.4 Rehabilitation Matters

Rehabilitation of any current and future exploration disturbances will be necessary and the relevant requirements are detailed in the Code of Environmental Compliance for Exploration and Mineral Development Projects dated January 2001.

2.2.5 Other Encumbrances

Each of the granted EPMs is subject to a Royalty Deed Agreement between Paradigm Queensland Pty Ltd, Paradigm Geoscience Pty Ltd and the Company. This Agreement is not recorded against EPM 14083.

2.2.6 Issues to be Addressed Prior to Future Exploration

EPM 14083

In order for EPM 14083 to be granted and on-site exploration activities to commence, the following issues will need to be addressed: -

- The DNRM to publish a public notice in accordance with the Expedited Procedure at the Applicant's expense. If no objections have been lodged within the four month objection period, the DNRM will be in a position to grant the tenure. Should this occur the DNRM will issue a formal 'offer to grant' an EPM.
- In order to accept the offer, the Applicant must lodge the security deposit and written acceptance of the proposed EPM conditions.
- The EPM will then be granted and the holder must lodge the first annual rental within 28 days of grant.
- Exploration activities will then be able to commence subject to the requirements of the conditions of grant, the standard native title conditions and the Code of Environmental Compliance for Exploration and Mineral Development Licence Projects.

EPMs 13651, 13655, 13700, 13877 and 13878

As previously stated, EPMs 13651, 13655, 13700, 13877 and 13878 are currently granted, however access agreements have not been lodged with the Mining Registrar pursuant to Section 492 of the MRA. On-site exploration activities on the Native Title Land within EPMs 13651, 13655, 13700 and 13878 cannot occur until this requirement is complied with. This requirement does not apply to EPM 13877, as it does not extend to Native Title Land.

2.2.7 The Amount and Timing of Any Rents and Royalties

When the above-mentioned proposal for grant of EPM 14083 is forwarded by the DNRM, the Applicant will need to lodge the required financial assurance. Upon grant of the EPM, the Applicant must also pay the annual rental, currently $107.54 per sub-block (this figure does not increase for each year of tenure, but is subject to annual DNRM increases commensurate with appropriate price indices). If EPM 14083 is granted over all the sub-blocks requested in the Application, the first annual rental payment will be $2,796.04.

The Year 2 annual rental payment for EPM 13651 was paid at the previous year's rate ($104.35 per sub-block) instead of the correct rate ($107.54 per sub-block). This leaves an outstanding balance on EPM 13651 of $185.02. This should be paid as soon as possible. The year 3 rental will be due for payment by 8 May 2004 and is expected to be $6,237.32, although this amount may be subject to annual DNRM increases commensurate with appropriate price indices.

The Year 2 annual rental payment for EPM 13655 was paid at the previous year's rate ($104.35 per sub-block) instead of the correct rate ($107.54 per sub-block). This leaves an outstanding balance on EPM 13655 of $191.40. This should be paid as soon as possible. Year 3 rental will be due for payment by 8 May 2004 and is expected to be $6,452.40, however this amount may be subject to annual DNRM increases commensurate with appropriate price indices.

The Year 1 annual rental payment for EPM 13700 has been paid. Year 2 rental will be due for payment by 4 December 2003 and will be $6,022.24, although this amount may be subject to annual DNRM increases commensurate with appropriate price indices.

The Year 1 annual rental payment for EPM 13877 has been paid. Year 2 rental will be due for payment by 14 May 2004 and is expected to be $4,301.60, although this amount may be subject to annual DNRM increases commensurate with appropriate price indices.

The Year 1 annual rental payment for EPM 13878 has been paid. Year 2 rental will be due for payment by 16 April 2004 and is expected to be $3,871.44, although this amount may be subject to annual DNRM increases commensurate with appropriate price indices.

The Queensland EPMs are not subject to local government rates and/or State government royalty.

2.2.8 Liabilities, Actual and Contingent Commitments and Financial Exposures

The estimated and actual expenditure commitments are as follows::

	Commitment	Actual
EPM 13651		
Year One	$ 25,000	$ 24,400
Year Two	$ 50,000	
Year Three	$ 100,000	
Year Four	$ 100,000	
Year Five	$ 100,000	
EPM 13655		
Year One	$ 25,000	$ 26,300
Year Two	$ 50,000	
Year Three	$ 100,000	
Year Four	$ 100,000	
Year Five	$ 100,000	
EPM 13700		
Year One	$ 40,000	
Year Two	$ 50,000	
Year Three	$ 100,000	
EPM 13877		
Year One	$ 40,000	
Year Two	$ 50,000	
Year Three	$ 100,000	
EPM 13878		
Year One	$ 40,000	
Year Two	$ 50,000	
Year Three	$ 100,000	

The DNRM has recently issued a pre offer letter in respect to EPM 14083 which proposes the following expenditures:

	Commitment	Actual
Year One	$ 30,000	
Year Two	$ 50,000	
Year Three	$100,000	
Year Four	$100,000	
Year Five	$100,000	

The activities conducted under the authority of the Queensland EPMs are likely to result in the creation of environmental liabilities for the holder. The environmental liability will commence when exploration causes on-site ground disturbances. When any disturbed area has been satisfactorily rehabilitated, the environmental liability in respect of these disturbances will cease.

If exploration is to be conducted on Native Title Land, additional costs in respect to native title consultation, negotiation and compensation payments and cultural heritage site clearances should be anticipated.

RHetherington

RUSSELL HETHERINGTON
Sydney Office

18 September 2003

New South Wales Exploration Licences

TENEMENT	HOLDER	GRANT DATE	EXPIRY DATE	STATUS	AREA (UNITS)	EXPENDITURE COMMITMENT PA	SECURITY	ENCUMBRANCES
EL 5963	Paradigm NSW Pty Ltd	10/07/02	09/07/04	Current	15 units	$27,500	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 5976	Paradigm NSW Pty Ltd	27/08/02	26/08/04	Current	46 units	$43,000	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 5980	Paradigm NSW Pty Ltd	29/08/02	28/08/04	Current	23 units	$31,500	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 5981	Paradigm NSW Pty Ltd	29/08/02	28/08/04	Current	30 units	$35,000	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 5996	Paradigm NSW Pty Ltd	23/09/02	22/09/04	Current	30 units	$35,000	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 6028	Paradigm NSW Pty Ltd	02/12/02	01/12/04	Current	8 units	$24,000	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 6056	Paradigm NSW Pty Ltd	20/02/03	19/02/05	Current	24 units	$32,000	$10,000	Pending Royalty Deed dated 15/05/03 between holder and Paradigm Geoscience Pty Ltd
EL 6117	Paradigm NSW Pty Ltd	19/08/03	18/08/05	Current	16 units	$28,000	$10,000	Nil

Queensland Exploration Permits (Minerals)

TENEMENT	HOLDER / APPLICANT	GRANT / APPLICATION DATE	EXPIRY DATE	STATUS	AREA (SUB BLOCK)	EXPENDITURE COMMITMENT PA	SECURITY	ENCUMBRANCES
EPM 13651	Paradigm QLD Pty Ltd	08/05/02	07/05/07	Current	58	$50,000	$2,500	Royalty Deed Agreement between holder, Paradigm Geoscience Pty Ltd and the Company
EPM 13655	Paradigm QLD Pty Ltd	08/05/02	07/05/07	Current	60	$50,000		Royalty Deed Agreement between holder, Paradigm Geoscience Pty Ltd and the Company
EPM 13700	Paradigm QLD Pty Ltd	04/12/02	03/12/07	Current	56	$40,000	$2,500	Royalty Deed Agreement between holder, Paradigm Geoscience Pty Ltd and the Company
EPM 13877	Paradigm QLD Pty Ltd	14/05/03	13/05/06	Current	40	$40,000	$2,500	Royalty Deed Agreement between holder, Paradigm Geoscience Pty Ltd and the Company
EPM 13878	Paradigm QLD Pty Ltd	16/04/03	15/04/06	Current	36	$40,000		Royalty Deed Agreement between holder, Paradigm Geoscience Pty Ltd and the Company
EPM 14083	Paradigm QLD Pty Ltd	29/05/03	N/A	Application	26	$30,000	$2,500	N/A

A Member Firm of PKF International

PKF

Chartered Accountants
& Business Advisers

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18 September 2003

The Directors,
Paradigm Gold Limited,
Suite 204, 161 Walker Street,
NORTH SYDNEY NSW 2060

Dear Sirs,

Investigating Accountant's Report

We have prepared this Investigating Accountant's Report on historical financial information of Paradigm Gold Limited and controlled entities (Paradigm) for inclusion in a Prospectus dated on or about 19 September 2003 relating to the Public Offer of a minimum subscription of 17,500,000 ordinary shares at an issue price of $0.20 per Share and one option for no extra consideration for every two Shares subscribed for, and a maximum subscription of 25,000,000 ordinary shares at an issue price of $0.20 per Share and one option for no extra consideration for every two Shares subscribed for.

The Offer is not underwritten.

Expressions defined in the Prospectus have the same meaning in this report.

Background

Paradigm was incorporated on 7 November 2002 to explore mineral properties in the eastern Australian belt, identified and acquired via tenement applications by Paradigm Geoscience Pty Limited (a company associated with the founders of Paradigm). The tenements are held by two wholly-owned subsidiaries of Paradigm, (Paradigm NSW Pty Ltd, and Paradigm Queensland Pty Ltd), and include a total of 14 exploration tenements in NSW and Queensland. The subsidiary companies were transferred to Paradigm in exchange for reimbursement of certain loans. Each of the tenements is subject to a Net Smelter Royalty ("NSR") interest of 2% for metals, and a Gross Overriding Royalty ("GOR") of 2% for diamonds, both payable to Paradigm Geoscience Pty Ltd.

Scope

You have requested PKF to prepare a report covering the following information:

The historical Statement of Financial Position as at 30 June 2003 and the pro forma Statement of Financial Position as at 30 June 2003, which assumes completion of the contemplated transactions disclosed in Note 2 of the Annexure to this Report (the pro forma transactions) referred to collectively as the financial information.

Prior period historical information has not been included, as it is not reflective of the future direction of Paradigm and its controlled entities.

Review of Pro Forma Historical Information

The historical financial information set out in the Annexure of this Report has been extracted from the Financial Statement of Paradigm as at 30 June 2003, which was audited by PKF who issued an unqualified audit opinion. The Directors are responsible for the preparation of the historical financial information.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard AUD 902 "Review of Financial Reports". We made such inquiries and performed such procedures as we, in our professional judgement considered reasonable in the circumstances including:

- analytical procedures on the statement of financial position of Paradigm and its controlled entities as at 30 June 2003;
- a review of work papers, accounting records and other documents;
- a review of the adjustments made to the pro forma statement of financial position.

- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Paradigm and its controlled entities; and
- enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Conclusion

Review Statement of Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the pro forma statement of financial position has not been properly prepared on the basis of the pro forma transactions;
- the historical financial information, as set out does not present fairly the historical financial position of Paradigm and its controlled entities as at 30 June 2003; and

are not in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by Paradigm and its controlled entities disclosed in Note 1 of the Annexure.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of Paradigm and its controlled entities have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Independence or Disclosure of Interest

PKF does not have any interest in the outcome of this issue other than in the provision of accounting and taxation services for which normal professional fees will be received.

Yours faithfully,

PKF

PKF
Chartered Accountants
A New South Wales Partnership

Annexure: Consolidated Statements of Financial Position

	CONSOLIDATED			
	Note	Actual 30 June 2003 $000s	Pro Forma 30 June 2003 Minimum Subscription $000s	Pro Forma 30 June 2003 Maximum Subscription $000s
Current Assets				
Cash assets	3	150	3,270	4,695
Receivables	4	12	12	12
Other	5	83	83	83
TOTAL CURRENT ASSETS		**245**	**3,365**	**4,790**
TOTAL ASSETS		**245**	**3,365**	**4,790**
Current Liabilities				
Payables and other creditors	6	17	17	17
TOTAL CURRENT LIABILITIES		**17**	**17**	**17**
TOTAL LIABILITIES		**17**	**17**	**17**
NET ASSETS		**228**	**3,348**	**4,773**
Equity				
Contributed equity	7	511	3,646	5,071
Accumulated losses	8	(283)	(298)	(298)
TOTAL EQUITY		**228**	**3,348**	**4,773**

The Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

The Consolidated Actual Statement of Financial Position as at 30 June 2003 has been extracted from the Financial Statements of Paradigm Gold Limited and its controlled entities.

The Consolidated Pro Forma Statement of Financial Position as at 30 June 2003 has been compiled based on the Consolidated Statement of Financial Position of Paradigm as at 30 June 2003 adjusted for the pro forma transactions outlined in Note 2.

Notes to the Consolidated Statements of Financial Position

1. Summary of Accounting Policies

The Statements of Financial Position have been drawn up in accordance with Applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus View and the Corporations Act 2001, unless the information that would be disclosed is not considered material or relevant to potential investors. The presentation of the financial information is consistent with that generally applied in a Prospectus.

The pro forma Statement of Financial Position as at 30 June 2003 includes Paradigm and its controlled entities.

The Statements of Financial Position have been prepared on an accruals basis and are based on historical cost and do not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by Paradigm in the preparation of the Statements of Financial Position.

Principles of consolidation

The consolidated pro forma Statement of Financial Position has been prepared by combining the financial positions of all the entities that comprise the economic entity, being Paradigm (the parent entity) and its controlled entities as defined in Accounting Standard AASB1024 "Consolidated Accounts". Consistent accounting policies have been employed in the preparation and presentation of the consolidated Statements of Financial Position.

The consolidated pro forma Statement of Financial Position comprises Paradigm at 30 June 2003. A pro forma list of controlled entities appears in Note 13.

In preparing the consolidated Statement of Financial Position, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full.

Income tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and the taxable income. The tax effect of timing differences which arises from the recognition in the accounts of items of revenue and expenses in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the statements of financial position as "future income tax benefits" or "provision for deferred income tax", as the case may be at current tax rates. A future income tax benefit is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest, and carried forward in the statement of financial position where:

(a) Rights to tenure of the area of interest are current; and

(b) One of the following conditions is met:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
(ii) exploration and/or evaluation activities in the area of interest have not at balance date yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

Accumulated expenditure on areas which have been abandoned, or are considered to be of no value, or related to exploration start up indirect costs are written off in the year in which such a decision is made. Development expenditure related to an area of interest in the pre-production stage is carried forward to the extent that such expenditure is expected to be recouped. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Operating cycle

An operating cycle of twelve months has been used as the basis for identifying current assets and current liabilities in the Statements of Financial Position.

Cash

Cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

Receivables

Trade accounts receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Recoverable amounts

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets. The expected net cash flows included in determining the recoverable amounts have been discounted to their present value. Where a group of assets work together to generate net cash inflows the recoverable amount test is applied to that group of assets.

Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest. The carrying amounts of accounts payable approximate net fair values.

2. Assumptions in Compiling the Consolidated Pro Forma Statement of Financial Position

The pro forma Statement of Financial Position reflects the following transactions as if they had taken place as at 30 June 2003.

(a) The payment for 133,340 unpaid shares, being $10,000, and the issue of 66,670 options on 9 July 2003.

(b) The issue of 333,334 fully paid shares to Baron Partners Limited in consideration for services provided to Paradigm relating to the Public Offer.

(c) The issue of between 17,500,000 and 25,000,000 shares and between 8,750,000 and 12,500,000 options pursuant to the Public Offer.

In accordance with the Public Offer outlined in the Prospectus, Paradigm will issue a minimum of 17,500,000 shares at $0.20 to raise $3,500,000 up to a maximum of 25,000,000 shares at $0.20 to raise $5,000,000. The Offer is not underwritten. The pro forma Statement of Financial Position has been prepared on a minimum subscription basis (17,500,000 shares) and a maximum subscription basis (25,000,000 shares).

(d) Pursuant to an agreement signed by Paradigm prior to 30 June 2003, an amount of $21,130 is paid upon the company obtaining a listing on the Australian Stock Exchange.

(e) Pursuant to an agreement reached by Paradigm on 5 September 2003, Paradigm will pay $15,000 to terminate the existing administrative arrangement between Paradigm Gold Limited and Paradigm Geoscience Pty Ltd.

(f) The payment of expenses associated with the Offer outlined in this Prospectus.

Expenses associated with the Offer, estimated to be $400,000 for the minimum subscription and $475,000 for the maximum subscription, have been charged against equity and reflected in the pro forma Statement of Financial Position. $25,000 of the Offer expenses relate to the issue of shares to Baron Partners Limited (refer b above) and are therefore a non-cash item.

	CONSOLIDATED	
	Actual 30 June 2003 $000s	Pro Forma 30 June 2003 $000s
3. CASH ASSETS		
Cash at bank and on hand – minimum subscription	150	3,270
Cash at bank and on hand – maximum subscription	150	4,695
Movements in cash – minimum subscription		
Balance as at 30 June 2003		150
Costs pursuant to termination of service agreement		(15)
133,340 unpaid shares paid up on 9 July 2003		10
17,500,000 shares issued at $0.20 pursuant to the Prospectus		3,500
Costs of share issue		(375)
Pro forma at 30 June 2003		3,270
Movements in cash – maximum subscription		
Balance as at 30 June 2003		150
Costs pursuant to termination of service agreement		(15)
133,340 unpaid shares paid up on 9 July 2003		10
25,000,000 shares issued at $0.20 pursuant to the Prospectus		5,000
Costs of share issue		(450)
Pro forma at 30 June 2003		4,695
4. RECEIVABLES		
Other debtors	12	12
5. OTHER ASSETS		
Tenement deposits	83	83
6. CURRENT PAYABLES		
Other creditors and accruals	17	17

	CONSOLIDATED	
	Actual 30 June 2003 $	**Pro Forma 30 June 2003 Number**
7. CONTRIBUTED EQUITY		
Share capital – minimum subscription	511	3,646
Share capital – maximum subscription	511	5,071

(a) Fully paid ordinary shares		
Shares issued during the year		
- 3 shares issued on formation 7 November 2002	3	3
- 10,486,597 shares on 21 November 2002	2,097	10,486,597
- 4,194,640 shares issued on 6 December 2002	209,732	4,194,640
- 3,817,604 shares issued on 20 May 2003 (133,340 unpaid)	276,320	3,817,604
- 300,000 shares issued on 26 June 2003	22,500	300,000
At 30 June 2003	510,652	18,798,844

Minimum subscription		
- payment for 133,340 unpaid shares on 9 July 2003	10,000	-
- 333,334 shares issued to Baron Partners Limited on 28 August 2003	25,000	333,334
- 17,500,000 shares issued pursuant to the prospectus	3,500,000	17,500,000
Costs of share issue	(400,000)	-
Pro forma at 30 June 2003	3,645,652	36,632,178

Maximum subscription		
- payment for 133,340 unpaid shares on 9 July 2003	10,000	-
- 333,334 shares issued to Baron Partners Limited on 28 August 2003	25,000	333,334
- 25,000,000 shares issued pursuant to the prospectus	5,000,000	25,000,000
Costs of share issue	(475,000)	-
Pro forma at 30 June 2003	5,070,652	44,132,178

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholder meetings each shareholder has one vote on a show of hands. In the event of a poll, members present or their duly appointed representatives or proxies are entitled to one vote for each ordinary share held.

	CONSOLIDATED	
	Actual 30 June 2003 Number	Pro Forma 30 June 2003 Number
7. CONTRIBUTED EQUITY (CONTINUED)		
(b) Options over issued shares		
Minimum subscription		
- 1,842,132 options issued on 19 May 2003	1,842,132	1,842,132
- 66,670 options issued on 9 July 2003	-	66,670
- 166,667 options issued to Baron Partners Limited on 28 August 2003	-	166,667
- 8,750,000 options issued pursuant to the Prospectus	-	8,750,000
- 400,000 options to Baron Partners Limited on completion of the offer	-	400,000
	1,842,132	11,225,469
Maximum subscription		
- 1,842,132 options issued on 19 May 2003	1,842,132	1,842,132
- 66,670 options issued on 9 July 2003	-	66,670
- 166,667 options issued to Baron Partners Limited on 28 August 2003	-	166,667
- 12,500,000 options issued pursuant to the Prospectus	-	12,500,000
- 400,000 options to Baron Partners Limited on completion of the offer	-	400,000
	1,842,132	14,975,469

All options issued have an exercise price of $0.25 each for one fully paid ordinary share. The date of expiry of these options is 18 May 2008.

	CONSOLIDATED	
	Actual 30 June 2003 $000	Pro Forma 30 June 2003 $000
8. ACCUMULATED LOSSES		
Balance as at 30 June 2003	283	283
Costs pursuant to termination of service agreement	-	15
Pro forma at 30 June 2003	283	298

9. SEGMENT INFORMATION

The economic entity operates predominantly in the mining industry throughout New South Wales and Queensland.

10. SUBSEQUENT EVENTS

There are no events subsequent to 30 June 2003 that have not been disclosed in this Prospectus so as to require reporting in this note.

11. CONTINGENT LIABILITIES

Paradigm has entered into an agreement whereby should the company obtain a listing on the Australian Stock Exchange, an amount of $21,130 is payable to Paradigm Geoscience Pty Ltd. This has been included as part of the costs of the share issue in preparing the pro forma statement of financial position.

	CONSOLIDATED	
	Actual 30 June 2003 $000	**Pro Forma 30 June 2003 $000**
12. CAPITAL COMMITMENTS		
Paradigm is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration tenements. These obligations may be subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the statement of financial position, and are due as follows:		
Within 1 year	448	448
1 year or longer, but not longer than 5 years	360	360
Longer than 5 years	-	-
	808	808

13. CONTROLLED ENTITIES

Following the pro forma transactions outlined in Note 2, the ownership structure of the Paradigm economic entity is as follows:

a) Controlled Entities	**Country of Incorporation**	**Percentage of**
		Ownership 2003
Parent Entity:		
Paradigm Gold Limited	Australia	
Entities controlled by Paradigm Gold Limited :		
Paradigm NSW Pty Limited	Australia	100%
Paradigm Queensland Pty Limited	Australia	100%

b) Entities registered during the year
Paradigm Gold Limited was registered on 7th November 2002
Paradigm NSW Pty Limited was registered on 5th February 2002
Paradigm Queensland Pty Limited was registered on 5th February 2002

Other Matters

Introduction

There are a number of risk factors that may have an impact on the future operating and financial performance of the Company. While some of the risks can be minimised by the use of safeguards and appropriate systems, some fall outside the control of the Company. There are also general risks associated with any investment in shares. Investors should therefore carefully consider all associated risks before deciding to invest in the Company, and should also consider their personal circumstances (including financial and taxation circumstances) and seek appropriate professional advice before deciding whether to invest.

The principal risk factors applicable to the Paradigm business include, but are not limited to, the following:

Stock Market

The extent to which investor interest will lead to the development of a trading market in Shares and how liquid that market may be are not known. The market price of Shares when quoted on the ASX will be influenced by international and domestic factors affecting conditions in equity and financial markets. These factors may affect the price for listed securities and the prices for the securities of mineral exploration companies quoted on the ASX, including Paradigm.

Exploration

All of the Company's Tenements are at various stages of exploration and, accordingly, the Shares offered by this Prospectus are speculative in nature. The investment of capital by the Company in exploration involves a high degree of risk.

The success or failure of the exploration programmes outlined in this Prospectus will affect the future performance of the Company and its Shares.

In the event of the Company being successful in the discovery of economic mineralisation, any development, mining and production from the deposits will be subject to the technical, financial, legislative and other factors affecting a decision to mine prevailing at that time.

Operational

If the Company decides to develop and commission a mine, the operations of the Company, including mining and processing, may be affected by a range of factors. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Land Access and Native Title

Access to land is critical for exploration to succeed. In the first instance, a company can only explore if it holds or has rights to tenements on which it is able to engage in that activity. Access to tenements may be secured by purchase, option, joint venture or original application over open ground, pursuant to the relevant state mining act.

Once tenement rights are held, access to land for exploration purposes and, if exploration proves successful, the grant of mining tenure can be affected by land ownership, including private (freehold) land, pastoral lease and native title or claims under any native title legislation. The Company's existing Tenements lie on land with various types of ownership, including freehold land, pastoral lease, Crown lease, vacant Crown land, State Forest and land subject to native title claim.

The existence of native title and/or native title claims in relation to some of the Company's Tenements may have an adverse impact on its activities and its ability to fund those activities. It is impossible at this stage to quantify the impact that these matters may have on the Company's operations. Risks could include but are not limited to delays in obtaining the grant of current applications or in obtaining an access agreement with the traditional land owners, compensation which may be payable by Paradigm as a result of agreements made pursuant to the right to negotiate with traditional owners and the existence of Aboriginal sites and areas of Aboriginal cultural heritage significance which may preclude or limit the Company's activities in certain areas.

Environmental

National and local environmental laws and regulations affect nearly all of the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted.

Significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by taking steps to ensure compliance with applicable environmental laws and regulations and where possible by carrying appropriate insurance.

Growth

To achieve the objectives set out in this Prospectus, the Company will be required to implement operational and financial systems, procedures and controls and develop, expand, retain, manage and, where appropriate, train its staff. No assurance can be given of the Company's ability to manage future growth.

Commodity Prices

The demand for and the price of gold. copper and other commodities is dependent on a variety of factors, including international supply and demand, global economic and political developments and sales of central banks' gold reserves. Fluctuations in commodity prices may have a material effect on the Company's business, financial condition and results of operations.

Tenure Rights

Rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

If the licences are not granted or renewed, as appropriate, the Company's business plans and exploration programmes may require modification. However, the Directors are not aware of any reason why the granting or renewal of the term of any of these licences would be denied.

Financing

It is unlikely that funds raised in this Prospectus will be sufficient to drill a prospect to Indicated Resource status. If future drilling funds are required, a number of options are available to the Company. Appropriate funding options will be determined depending on the circumstances. In order to meet planned exploration expenditure and to expand its business, the Company may be required to raise additional equity and/or debt capital in the future. There is no assurance that it will be able to raise such capital if it is required, or that the terms associated with providing such capital will be satisfactory to the Company.

Insurance

The Company intends to ensure that insurance is maintained with ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any claims.

Management

In a small exploration organisation with few executives, the progress of the Company could be influenced by the loss of a key executive. The impact resulting from such an event would be dependent on the quality of the replacement.

The Directors consider that the contracts described below and elsewhere in the Prospectus are those which an investor would reasonably regard as material and which they and their professional advisers would reasonably require to make an informed assessment of the Offer. This report only contains a summary of the material contracts and their substantive terms.

9.1 Royalty Deeds

On 15 May 2003 the Company's two subsidiaries entered into royalty deeds in relation to the Tenements held in NSW and Queensland respectively with Paradigm Geoscience. Under these deeds, the Company has undertaken to pay a 2% royalty to Paradigm Geoscience for gold, silver and other metals produced, and any gems including diamonds sold. The details of how those royalties are calculated are more fully set out below:

(a) a Gross Overriding Royalty ("GOR"), which is defined as 2% of the proceeds of sale of all gems and any industrial diamonds ("Diamonds") less Permitted Deductions. Permitted Deductions comprise ad valorem and property taxes and royalties paid under legislation, except income tax, the costs of cleaning and sorting Diamonds, grading and appraising and transporting and insuring them and all costs of marketing them and sales commissions but not the costs of mining; and

(b) a Net Smelter Return Royalty ("NSR") being 2% of the bullion value for gold and silver bullion and mineral products (other than diamonds) ("Products") refined from Products produced from the Tenements less refining costs and taxes. Refining costs include all costs of smelting and refining bullion but does not include the costs of mining, milling, leaching or other on-site processing costs. The NSR is payable irrespective of whether the Products are actually sold.

The NSR and GOR are deemed to attach to the Tenements and any future form of tenure replacing those Tenements. The Company can freely assign its interest in the Tenements so long as they remain subject to the royalties. The Company may abandon any Tenement the subject of the royalties at any time.

9.2 Paradigm Geoscience Share Purchase Agreements

On 30 May 2003 the Company acquired from Paradigm Geoscience all of the issued share capital of Paradigm Queensland Pty Limited (formerly ACN 099 477 737 Pty Limited) ("Paradigm Queensland") and Paradigm NSW Pty Limited (formerly ACN 099 477 979 Pty Limited) ("Paradigm NSW"), the holders of the Queensland and New South Wales Tenements.

The purchase price for these acquisitions was $1.00 each. In addition, the Company undertook to loan to Paradigm Queensland the sum of $20,076.15 and Paradigm New South Wales $58,554.00 respectively to be applied to reduce loans previously advanced by Paradigm Geoscience. The total amounts presently outstanding are $12,576.15 and $8,554.00, respectively, which must be repaid within 2 months after the date on which Shares first trade on the ASX.

Standard representations and warranties were given by Paradigm Geoscience including warranties regarding the accounts, compliance with laws and no known claims.

The agreement with Paradigm Queensland notified the Company that the expenditure commitments on EPM 13655 and EPM 13651 had not been met and access agreements had not yet been negotiated to allow the Company to enter onto Queensland Tenements to carry out its exploration programme.

The agreement with Paradigm NSW notified the Company that no access agreements had been negotiated over the NSW Tenements.

9.3 Deed of Access, Insurance and Indemnity

Paradigm has agreed to provide access to board papers to all current Directors of Paradigm while they are Directors and for a period of 7 years from when they cease to be Directors.

Paradigm has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities, which the Director may incur as a result of, or by reason of (whether solely or in part) being or acting as a Director of Paradigm. Paradigm has also agreed to use reasonable commercial endeavours to obtain and maintain in favour of each Director a directors' and officers' policy of insurance for the period that they are a Director and for a period of 7 years after the officer ceases to be a Director.

9.4 Employment Agreement

Paradigm has entered into a letter of agreement with Dr Graham Carman as Managing Director. The main terms of that agreement are that:

- the term of the employment is for 2 years extendable by mutual agreement with review annually;
- the Managing Director will receive 4 weeks paid annual leave and 6 days sick leave;
- in the event of a major illness or disability the Company will allow up to 3 months on full pay;
- the fixed gross salary package of the Managing Director is $120,000;
- the Managing Director will receive removal expenses up to a maximum of $30,000;
- the employment of the Managing Director may be terminated for cause, which includes extended absence (over 3 months) due to illness or injury, being charged with a criminal offence and becoming of unsound mind. If Paradigm terminates the agreement for any other reason, the Managing Director is entitled to 6 months salary in lieu of notice or if the Company adopts a redundancy policy for senior executives then notice must be in accordance with that policy. The Managing Director may terminate at any time by giving 3 months notice; and
- the contract is subject to the successful completion of the IPO.

10.1 Incorporation

Paradigm was incorporated as a public company in New South Wales on 7 November 2002.

10.2 Financial Year

The Company balance date is 30 June.

10.3 Taxation Matters

COMPANY TAX STATUS
The Company will be taxed as a public company.

INVESTORS
Different investors have different taxation circumstances. Accordingly, it is not appropriate for taxation advice to be set out in this Prospectus. Investors, whether Australian resident or non-Australian resident, should seek their own advice in regard to any initial and on-going investment in the Company.

10.4 Issued Capital

The share capital of Paradigm is divided into ordinary shares each with such preferential, deferred, qualified, special or other rights, privileges or conditions attached to them as Paradigm or the Directors, subject to any resolution, may decide. The issued capital of Paradigm on completion of the Offer will be as shown in the table at Section 3.3.

10.5 Constitution and Rights Attaching to Shares

The Company has adopted a constitution of a kind usually adopted by a public company that is proposing to list on ASX. The following is a summary of the key provisions in the Constitution in relation to rights attaching to Shares.

• VOTING RIGHTS
At a general meeting each shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid Share that the shareholder holds, except in respect of each partly paid share held by the shareholder, where the shareholder has a fraction of a vote for each partly paid Share they hold. This is subject to any rights or restrictions attached to any Shares.

A shareholder is only entitled to vote in respect of Shares on which, at the time the vote is cast, no moneys are due and payable to the Company.

A Shareholder is not entitled to vote on a resolution if under the Corporations Act or the Listing Rules the notice specified that the member must not vote or abstain from voting or its vote must be disregarded. This may occur, for example, where there is a breach of the Listing Rules or of a restriction agreement. The shareholder is not entitled to any votes in respect of the Shares while that breach continues.

• GENERAL MEETINGS
Each shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each shareholder is entitled to receive all notices, accounts and other documents required to be furnished to shareholders under the Constitution of the Company or the Corporations Act.

• DIVIDEND RIGHTS
Subject to any special rights or restrictions attached to a Share, the holder of a fully paid Share is entitled to the full dividend on the Share (whether the issue price was paid or credited or both) and the holder of a partly paid Share is entitled to a proportion of the dividend that corresponds to the proportion paid up on the Share.

The Directors may deduct from any dividend payable to or for a shareholder any money presently payable by the Shareholder to the Company for calls or otherwise in respect of any Shares held by the Shareholder.

If Shares are classified as restricted securities in relation to which there is a breach of the Listing Rules or of a restriction agreement, the shareholder will not be entitled to receive any dividends in respect of the restricted securities while that breach continues.

• RIGHTS ON WINDING-UP
Subject to any special rights or restrictions attached to Shares, if on a winding up there are not enough assets to repay all capital to shareholders, the available assets must be distributed among the shareholders in proportion to the number of Shares held by them irrespective of the amounts paid on their respective Shares before the winding up began (without the necessity of a call up). Any amount unpaid on a Share is considered property of the Company. Subject to any special rights or restrictions attached to Shares, on a winding up the liquidator may, with the sanction of a special resolution of Shareholders, distribute among Shareholders the whole or any part of the property of the Company or decide how to distribute the property as between the Shareholders or different classes of Shareholders. At the commencement of the winding up, restricted securities (if Shares), which are subject to restrictions under any restriction agreement entered into by the Company, rank on a return of capital behind all other Shares of the Company.

• TRANSFER OF SHARES
Subject to the Constitution of the Company, the Corporations Act and the Listing Rules, Shares in the Company are freely transferable. Shares may only be transferred by a proper instrument in writing delivered to the Company or in compliance with the CHESS Rules if a CHESS Approved Security is transferred. Subject to the CHESS Rules, the transferor is deemed to remain the holder of the Share until the name of the transferee is entered into the Company's register of members.

• FUTURE INCREASES, ALTERATION AND REDUCTION OF CAPITAL
The allotment and issue of Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot, issue or otherwise dispose of new Shares on such terms and conditions as they decide

The Company in general meeting may convert its Shares into a larger or smaller number of Shares, and subject to the Corporations Act and the Listing Rules, the Company may reduce its Share capital and buy-back shares in itself.

• VARIATION OF RIGHTS

The Company may only modify or vary the rights attaching to any class of Shares with the consent in writing of the holders of at least 75% of the issued Shares of the class or the sanction of a special resolution passed at a meeting of the holders of the issued Shares of that class.

Full details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be obtained through ASIC. The Shares to be issued pursuant to this Prospectus will rank equally with all of the Company's existing Shares.

10.6 Terms and Conditions of Options

The terms and conditions of the Options are summarised as follows:

- the Options expire at 5:00pm Eastern Standard Time (EST) on 18 May 2008 (Expiry Date). Any Option which has not been exercised prior to the Expiry Date automatically lapses;
- each Option entitles the holder to subscribe for one Share upon payment of the exercise price of $0.25 to the Company;
- the Options are exercisable in whole or in part, by notice in writing to the Company, at any time prior to the Expiry Date;
- holders of Options will be permitted to participate in issues of securities on the prior exercise of the Options in which case the Option holders will be afforded at least ten business days notice prior to and inclusive of the record date (to determine entitlements to the issue), to exercise the Options;
- Shares issued on exercise of the Options will be issued not more than ten business days after receipt of a properly executed "Form of Notice of Exercise of Options";
- Shares allotted or issued pursuant to the exercise of Options will rank equally with the then issued ordinary shares of the Company; and
- in the event of any reconstruction (including consolidation, subdivision, reduction or return) of issued capital of the Company, the number of Options or exercise price of the Options, or both, shall be reconstructed in a manner provided by the ASX Listing Rules.

A Form of Notice of Exercise of Options (required to exercise the Options issued pursuant to this Prospectus) will accompany each Option holder's holding statement upon issue of the Options. This form contains a full statement of the terms of the Options.

10.7 Matters Relevant to the Directors

10.7.1 Interests in Shares and Options

There are no shareholding requirements for Directors under the constitution of Paradigm. As at the date of this Prospectus, the number of securities in the Company which are held by or on behalf of each Director and their related interests is as follows:

Director	Shares	Options
Mr R Austen	2,810,608	333,334
Dr G Carman	2,466,640	66,670
Mr S Lonergan	450,000	0
Mr J Gaskell	833,340	66,670
Mr R Soper	812,500	0

Apart from those listed above, none of the Directors has any interest in securities of the Company or in securities of any entity associated with the Company. The Directors may apply for Shares under the Prospectus. As at the date of this Prospectus, no Director has formed a view as to whether he will apply for Shares.

10.7.2 Remuneration

Under the Company's Constitution, each Director (other than a Managing Director or an Executive Director) may be paid remuneration for ordinary services performed as a Director.

The maximum amount of remuneration that may be paid to non-executive Directors is expected to be set at $150,000 per annum. This remuneration may be divided among the non-executive Directors in such fashion as the Board may determine.

Under the ASX Listing Rules, the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time in relation to fees as they think appropriate.

Executive Directors are full time employees of the Company.

Graham Carman is to receive remuneration with a total cost to the Company of $120,000 per annum. A summary of his executive service agreement is set out in Section 9.4. No Directors' fees are paid to him in addition to his salary.

The Directors may be paid all travelling and other expenses properly incurred by them in attending meetings of the Directors or any committee of Directors or general meetings of Paradigm or otherwise in connection with the execution of their duties as Directors.

In addition, any Director who is called to perform extra services or to make special exertions or to undertake any executive or other work for the Company beyond his ordinary duties or go or reside abroad or otherwise for the purposes of the Company may, subject to the law, be remunerated as determined by the Directors. This sum may be either in addition to or in substitution for his share in his remuneration for ordinary services.

10.7.3 Related Party Transactions

The Company is not aware of any related party transactions requiring disclosure in the Prospectus other than as set out below:

- Richard Austen, Stephen Lonergan, John Gaskell and Ray Soper are non-executive Directors of the Company and will receive remuneration in respect of services rendered in that capacity. Stephen Lonergan will act as company secretary and receive remuneration in that capacity;
- Paradigm Geoscience has provided administrative services to Paradigm from time to time. Paradigm has agreed to pay the sum of $15,000 to terminate these existing administrative arrangements on commencement of quotation of Shares on ASX;
- Paradigm is obliged to pay a NSR royalty and a GOR to Paradigm Geoscience pursuant to royalty deeds dated 15 May 2003. See Section 9.1 for details;
- Paradigm Geoscience transferred all of the issued share capital of Paradigm Queensland and Paradigm NSW to Paradigm on 30 May 2003. See Section 9.2 for details.

Except as set out above, no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director or proposed Director to induce them to become or to qualify as a Director or for services provided in connection with the formation or promotion of the Company or the Offer.

Except as set out above or elsewhere in the Prospectus, no Director has, or in the last two years has had, an interest in the formation or promotion of the Company, in property to be acquired by the Company in connection with its formation or promotion, or in the Offer.

10.8 Expenses of the Offer

The expenses of the Offer are estimated as follows:

Broker Fees	$175,000 - $250,000
Legal Fees	$40,000
Accounting Fees	$ 7,500
Expert Fees	$32,500
Corporate Advisory Fees	$75,000
Printing, postage and other costs	$40,000
ASX Listing Fees	$30,000
TOTAL	**$400,000 - $475,000**

The above figures exclude applicable GST charges

These expenses have been paid or will be paid by the Company.

10.9 Litigation

Paradigm is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

10.10 Licensed Dealers

The Company does not hold an Australian Financial Services Licence or a dealers licence. Accordingly, the Company will only issue Shares and Options pursuant to this Prospectus under an arrangement with dealers pursuant to Section 911A(2)(b) of the Corporations Act.

10.11 Consents

Watson Mangioni has given and before lodgement of the Prospectus has not withdrawn its written consent to be named in the Prospectus as Legal Adviser to the Company in the form and context in which it is named.

PKF has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Auditor for the Company and Investigating Accountant in the form and context in which it is named and the inclusion of its investigating accountant's report in the form and context in which it appears.

Baron Partners Limited has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Corporate Adviser for the Company in the form and context in which it is named.

Registries Limited has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Share Registry for the Company in the form and context in which it is named.

Geonz Associates Ltd has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Independent Geologist in the form and context in which it is named and the inclusion of its report in the form and context in which it appears.

Hetherington Exploration and Mining Title Services Pty Ltd ("Hetherington") has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Mining Title Search Consultant in the form and context in which it is named and the inclusion of its report in the form and context in which it appears.

None of Watson Mangioni, PKF, Baron Partners Limited, Registries Limited, Geonz Associates Ltd or Hetherington

- has authorised or caused the issue of the Prospectus;
- has made, or purported to have made, any statement in this Prospectus, except this Section 10.11 and their respective reports where applicable;
- assumes responsibility for any part of this Prospectus except for statements in this Section 10.11 and their respective reports where applicable.

Each of these entities to the maximum extent permitted by the law, disclaim any responsibility or liability for any part of this Prospectus other than a statement included in this Section 10.11.

10.12 Disclosure Interests of Advisers

Other than as set out below, no person named in this Prospectus as a person performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus nor any firm in which such person is a partner or employed has any interest in this promotion of the Offer.

Watson Mangioni has acted as Legal Adviser to the Offer and has performed work in relation to certain of the material contracts, preparing the due diligence programme and assisting the Company with due diligence enquiries on legal matters. The Company estimates that it will pay amounts totalling approximately $40,000 to Watson Mangioni in respect of this work.

PKF has prepared the investigating accountant's report, and has also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, the Company estimates it will pay approximately $7,500.

PKF as auditor of the Company has audited the financial statements of the Company for the year ended 30 June 2003. In respect of this work, the Company estimates it will pay approximately $5,000.

The Company reserves the right to pay any licensed securities dealer a lodgement fee of 5% with respect to valid and accepted Applications bearing the stamp of those dealers.

Baron Partners Limited has acted as Corporate Adviser to the Company in connection with the Offer. The Company will pay $75,000 and issue 400,000 Options to Baron Partners Limited in respect of this work. Baron Partners Limited has also previously been allotted 333,334 Shares and 166,667 Options in respect of services rendered prior to the IPO.

Registries Limited will act as Share Registry for the Company and has reviewed and approved the Application Form. The Company estimates it will pay approximately $2,000 to Registries Limited in connection with the Offer.

Geonz Associates Ltd has prepared the Independent Geologist's Report. In respect of this work, the Company will pay approximately $25,000.

Hetherington Exploration and Mining Title Services Pty Ltd has prepared the independent report on tenements. In respect of this work, the Company will pay approximately $5,000.

The payments above exclude disbursements and GST.

10.13 Corporate Governance

The composition of the Board is subject to shareholder approval. All nominations for appointment to the Company's Board are reviewed by the Board. Currently, the Board comprises Mr R Austen (Non-Executive Chairman), Dr G Carman (Managing Director), Mr S Lonergan (Non-Executive Director), Mr John Gaskell (Non-Executive Director) and Mr Ray Soper (Non-Executive Director). At each annual general meeting one third of the Board of Directors (apart from the Managing Director) will retire and each retiring Director, if he or she so chooses, can offer themself for re-election.

The Company's policies regarding the terms and conditions of remuneration of Board members are approved by the Board on the basis of independent professional advice.

The remuneration and terms and conditions of employment for the Managing Director are reviewed and approved by the Board of Directors after seeking independent professional advice.

Non-executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of any expenditure is required.

The Company will establish an audit and compliance committee upon completion of the IPO.

The Board is the vehicle to facilitate the identification of significant areas of business risk to implement procedures to manage such risks and to develop policies regarding the establishment and maintenance of appropriate ethical standards. In relation to these matters, the Board specifically:

- ensures compliance with legal requirements and ethical principles;
- monitors the business environment;
- identifies business risk areas;
- identifies business opportunities; and
- monitors systems established to ensure prompt and appropriate responses to shareholder complaints and enquiries.

10.14 Restricted Securities

The Directors expect that ASX will classify the following Shares and Options as restricted securities:

Up to 14,681,240 Shares held or controlled by the Initial Shareholders, for a period of 24 months from the date of official quotation of Shares on ASX;

Up to 3,817,605 Shares and 1,908,802 Options held by Seed Capital Providers. Those Seed Capital Providers who are classified as parties related to the Company, or promoters (as defined in the Listing Rules) will attract a restriction period of 24 months from the date of official quotation of the Shares on ASX. Others will attract a restriction period of 12 months from the date the securities are issued;

300,000 Shares held by a consultant to the Company for a period of 24 months from the date of official quotation of the Shares on ASX; and

333,334 Shares and 566,667 Options held by the Advisers for a period of 24 months from the date of official quotation of the Shares on ASX.

Chapter 9 of the Listing Rules precludes holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder will also be precluded from granting a security interest over those securities.

ASX may review these restrictions during consideration of the Company's application for admission to the Official List of ASX. ASX may also, at its discretion, waive or vary the requirements in accordance with the Listing Rules in the event that an affected holder and the Company apply for a review of any escrow restrictions.

Authorisation

This Prospectus is dated 19 September 2003 and is issued by Paradigm Gold Limited.

The lodgement of this Prospectus was consented to in writing by every director of Paradigm Gold Limited.

19 September 2003
Graham Carman
Director

Advisers	Baron Partners Limited (ACN 003 397 528)
Applicant	A person who submits an Application
Application	An application to subscribe for a specific number of Shares pursuant to the Prospectus
Application Form	The application form accompanying the Prospectus
Application Monies	The Offer Price multiplied by the number of Shares for which an Applicant has applied
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited
Board	The Board of Directors of the Company
Closing Date	Date at which the IPO pursuant to this Prospectus closes
Company	Paradigm
Directors	The directors of Paradigm
Exposure Period	The period of a minimum of seven days between lodgement of the Prospectus with ASIC and the Opening Date of the Offer
Initial Shareholders	Shareholders of Paradigm Geoscience who subscribed for Paradigm Shares in November / December 2002. These include persons and/or entities associated with Messrs Austen, Carman, Lonergan, Soper and Gaskell, who are Directors
IPO	Initial Public Offering of Shares and Options
Listing Rules	The Listing Rules of the ASX
NSW	New South Wales
Offer	The offer of 17,500,000 Shares with attaching Options (on a one-for-two basis) pursuant to the Prospectus (with provision for oversubscriptions up to 7,500,000 Shares)
Offer Price	$0.20 per share
Official List	The Official List of ASX
Opening Date	Date at which the IPO pursuant to this Prospectus opens
Option	An option over one unissued Share exercisable at 25 cents up to and including 18 May 2008
Paradigm	Paradigm Gold Limited (ACN 102 747 133)
Paradigm Geoscience	Paradigm Geoscience Pty Limited (ACN 098 564 606), an unrelated company the majority of whose shareholder base comprises the Initial Shareholders
Prospectus	The Prospectus dated 19 September 2003 issued by Paradigm as modified or varied by any supplementary document made by the Company and lodged with ASIC
Qld	Queensland
Seed Capital Providers	Investors other than Initial Shareholders which subscribed to Shares in the Company in December 2002 and May 2003
Share	An ordinary share in the capital of Paradigm
Shareholder	A holder of Shares
Tenement	Exploration licence or exploration permit held by or on behalf of the Company as referred to in the Table on page 55 in the Independent Exploration Titles Report.

Glossary of Technical Terms

Aeromagnetic survey
A survey made from the air for the purposes of recording magnetic characteristics of rocks.

Alteration
Change in the physical or chemical composition of a rock commonly brought about by reactions with hydrothermal solutions.

Au
Chemical formula for gold.

Breccia
Rock fragmented into angular pieces; often rock consisting of angular fragments in a finer-grained matrix; distinct from conglomerate.

Calc-silicate
A rock or mineral in which calcium and silicon are dominant.

Carboniferous
A time period, approximately 360 to 290 million years ago.

Chalcocite
A secondary copper oxide mineral, generally dark grey in colour, that forms in some copper deposits beneath a leached zone.

Cretaceous
A time period, approximately 140 to 70 million years ago.

CSAMT
Controlled Source Audio Magneto-tellurics, a ground-based geophysical method used for identifying buried resistive or conductive bodies.

Cu
Chemical formula for copper.

Deep Lead
An alluvial gold deposit buried by overburden (commonly basalt); many of these deposits were worked during the 19th century

Diamond drilling
Rotary drilling using diamond-impregnated bits, to produce a solid, continuous core sample of rock.

Devonian
A time period, approximately 408 to 360 million years ago.

EL
Exploration Licence, an exploration tenement in New South Wales

EPM
Exploration Permit for Minerals, an exploration tenement in Queensland.

Epithermal
A hydrothermal mineral deposit formed at a relatively low temperature near the earth's surface, in veins or as disseminations.

g/t
Grams per tonne (the same as ppm).

High sulphidation deposit
An epithermal deposit that generally occurs above porphyry deposits from acidic, magmatic fluids. Ore deposits are generally disseminated with a high sulphur content.

Hydrothermal
Pertaining to heated water, particularly associated with the formation of mineral deposits or the alteration of rocks.

Indicated Resource
A mineral resource sampled by drill holes, underground openings, or other sampling procedures at locations too widely spaced to ensure continuity, but close enough to give reasonable indication of continuity, and where geoscientific data are known with a reasonable level of reliability.

Inferred Resource
A mineral resource inferred from geoscientific evidence, drill holes, underground openings, or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

Intrusion
The process of formation of a rock mass emplaced within surrounding rock.

Intrusive
A rock mass emplaced within surrounding rock, usually a plutonic rock formed by intrusion of molten magma into a high level, below the surface, of the Earth's crust where it cooled and crystallised to form a solid rock.

IP
Induced polarisation, an electrical ground-based geophysical method used for identifying disseminated sulphides beneath the surface.

JORC
Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves

km
Metric abbreviation for kilometre

LFB
Lachlan Fold Belt, a geological province located in southeast Australia.

Lineament
A linear feature of regional extent that is believed to reflect the Earth's crustal structure.

Low sulphidation deposit
An epithermal deposit which typically displays 'open space' mineral textures, with veins and/or breccias abundant. Quartz is usually common in veins, while sulphur content is low.

m
Metric abbreviation for metre

Malachite
A secondary copper mineral, characteristically green in colour, which forms close to the surface due to weathering of copper sulphides such as chalcopyrite.

Mesozoic
An era of geologic time, from the end of the Paleozoic to the beginning of the Cenozoic, from about 225 to 65 million years ago.

Meta
A prefix denoting a metamorphosed rock.

Mineralised porphyry
Base and precious-metal mineralisation (usually of copper, gold and/or molybdenum) which originates from a metal-bearing intrusion, and has similar characteristics to porphyry mineralisation models developed from deposits studied in the Americas and southwest Pacific regions.

Moz
Millions of ounces (of gold).

Mt
Millions of tonnes.

NEFB
New England Fold Belt, a geological province located in eastern Australia incorporating the New England region of New South Wales.

Ordovician
A time period, approximately 505 to 433 million years ago.

Orogenic
Literally 'mountain building'

oz
Ounces.

Paleozoic
An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, from about 570 to 225 million years ago.

Permian
A time period, approximately 290 to 250 million years ago.

Porphyry deposit, porphyry-style mineralization
A mineral deposit or mineralisation (typically of copper, gold, and / or molybdenum formed at high temperature close to or within an intrusive, and with geological similarities to numerous deposits mined in the Americas and southwest Pacific regions.

ppb
Parts per billion (1000 million)

ppm
Parts per million (the same as grams per tonne g/t)

Propylitic
A type of alteration which forms on the margin of porphyry-style deposits, causing a green colouration of the rocks but is not mineralised with base or precious metals.

RCP (Reverse Circulation Percussion)
A drilling method in which the sample is brought to the surface (generally as powder mixed with chips) inside the drill rods, thereby reducing contamination.

Silurian
A time period, approximately 433 to 408 million years ago.

Skarn
A thermally metamorphosed impure limestone.

Stockwork
A network of usually quartz-bearing veinlets diffused in the original rock.

Tertiary
A time period, approximately 65 to 2 million years ago.

Triassic
A time period, approximately 250 to 210 million years ago.

How to subscribe for Shares in the Offer

Read the Prospectus in full.

Complete the Application Form that follows.

Please follow the guidelines in Section 3 and on the back of the Application Form to ensure that you submit a valid application.

Applications Generally

Applications, in whatever form, must be to subscribe for a minimum of 10,000 Shares. Applications for more than 10,000 Shares must be for multiples of 2,000 Shares. Applications are payable in full when submitted. Your Application constitutes an offer to subscribe for Shares on the terms set out in the Prospectus. Acceptance of your offer is at the discretion of the Directors. The Directors reserve the right to reject any Application or to allocate to any Applicant a smaller number of Shares than that applied for.

BROKER'S STAMP

ParadigmGold

Paradigm Gold Limited ACN 102 747 133

CHESS HIN (if applicable)

This Application will only be considered after the Closing Date.
Applicants should read the Prospectus dated 19 September 2003 in its entirety before deciding to apply for Shares under the Offer.

Instructions for boxes A to H are set out on the reverse side.

A TITLE | GIVEN NAMES

B TAX FILE NO.

SURNAME OR COMPANY NAME AND ACN

C ADDRESS

SUBURB / TOWN | STATE | POSTCODE

D CONTACT PERSON | TELEPHONE NO. - BUSINESS | TELEPHONE NO. - PRIVATE

EMAIL ADDRESS

E I / WE APPLY FOR SHARES and enclose our Application Monies in full at $0.20 per share

F APPLICATION MONIES $ .00

DATE / / 2003

PIN YOUR CHEQUE HERE – MADE PAYABLE TO 'PARADIGM GOLD LIMITED FLOAT ACCOUNT'

IMPORTANT: Complete the following banking Details:

G DRAWER | BANK | BRANCH

H AMOUNT OF CHEQUE $ .00

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the Application Monies, the Applicant hereby:

(1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;

(2) agrees to be bound by the terms and conditions set out in the Prospectus and the Constitution of the Company;

(3) authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions; and

(4) declares this Application is completed and lodged in accordance with the terms of the Prospectus and that all statements made by the Applicant are complete and accurate and that the Applicant is not, as a result of the law of any place, a person to whom this Prospectus should not be given.

Instructions to Applicants

Please complete all relevant sections of the Application Form using BLOCK LETTERS. If you have any questions on how to complete this Application Form please telephone the number below:

Please post or deliver the completed Application Form together with your cheque to one of the following addresses:

Paradigm Gold Limited Share Offer
Registries Limited
PO Box R67 Royal Exchange
Sydney NSW 1223
(or Level 2, 28 Margaret Street, Sydney)

OR

Baron Partners Limited
10th Floor, 167 Macquarie Street
Sydney NSW 2000

A Write your FULL NAME in Box A. This must be either your own name or the name of a company. You should refer to the examples noted for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decisions as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to subscribe for more Shares and Options than is indicated by the amount of the accompanying cheque for the application monies referred to in Box F.

B Enter a **TAX FILE NUMBER** or exemption category beside your name in Box B. Collection of Tax File Numbers is authorised by taxation laws. Quotation of your Tax File Number is not compulsory and will not affect your application.

C Enter your **POSTAL ADDRESS** for all correspondence in Box C. All communications to you from the Company's Registry (shareholding statement, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.

D In Box D enter details of contact person, telephone number, email address and facsimile number if any enquiries need to be made by the Company or the Registry.

E Insert the **NUMBER OF SHARES** you wish to apply for in Box E.

F Insert the amount of your **APPLICATION MONIES** in Box F. The amount must be equal to the number of Shares applied for (as in Box E) multiplied by $0.20 per Share.

G Insert the **TOTAL AMOUNT OF YOUR CHEQUE(S)** in Box G. The total amount of your cheque(s) must equal the total application monies (see Box F). Cheques must be in Australian dollars, drawn on an Australian bank and made payable to **'Paradigm Gold Limited Float Account'** and crossed **'NOT NEGOTIABLE'**. Do not send cash. A separate cheque should accompany each Application Form lodged. No receipts will be issued.

H Insert drawer and bank details

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The application must be in the name(s) of a natural person(s), companies or other legal entitles acceptable to Paradigm Gold Limited. At least one full given name and surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith	John Smith Family trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith and Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Limited	John Smith Superannuation Fund

Minimum subscription: 10,000 Shares. Applications in excess of this should be in multiples of 2,000 Shares.

ParadigmGold

Paradigm Gold Limited ACN 102 747 133

This Application will only be considered after the Closing Date.
Applicants should read the Prospectus dated 19 September 2003 in its entirety before deciding to apply for Shares under the Offer.

Instructions for boxes A to H are set out on the reverse side.

BROKER'S STAMP

CHESS HIN (if applicable)

A **TITLE** | **GIVEN NAMES**

B **TAX FILE NO.**

SURNAME OR COMPANY NAME AND ACN

C **ADDRESS**

SUBURB / TOWN | **STATE** | **POSTCODE**

D **CONTACT PERSON** | **TELEPHONE NO. - BUSINESS** | **TELEPHONE NO. - PRIVATE**

EMAIL ADDRESS

E **I / WE APPLY FOR** ______ **SHARES** and enclose our Application Monies in full at $0.20 per share

F **APPLICATION MONIES** $ ______ **.00**

DATE / / **2003**

PIN YOUR CHEQUE HERE – MADE PAYABLE TO 'PARADIGM GOLD LIMITED FLOAT ACCOUNT'

IMPORTANT: Complete the following banking Details:

G **DRAWER** | **BANK** | **BRANCH**

H **AMOUNT OF CHEQUE** $ ______ **.00**

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the Application Monies, the Applicant hereby:

(1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;

(2) agrees to be bound by the terms and conditions set out in the Prospectus and the Constitution of the Company;

(3) authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions; and

(4) declares this Application is completed and lodged in accordance with the terms of the Prospectus and that all statements made by the Applicant are complete and accurate and that the Applicant is not, as a result of the law of any place, a person to whom this Prospectus should not be given.

Instructions to Applicants

Please complete all relevant sections of the Application Form using BLOCK LETTERS. If you have any questions on how to complete this Application Form please telephone the number below:

Please post or deliver the completed Application Form together with your cheque to one of the following addresses:

Paradigm Gold Limited Share Offer
Registries Limited
PO Box R67 Royal Exchange
Sydney NSW 1223
(or Level 2, 28 Margaret Street, Sydney)

OR

Baron Partners Limited
10th Floor, 167 Macquarie Street
Sydney NSW 2000

A Write your FULL NAME in Box A. This must be either your own name or the name of a company. You should refer to the examples noted for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decisions as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to subscribe for more Shares and Options than is indicated by the amount of the accompanying cheque for the application monies referred to in Box F.

B Enter a **TAX FILE NUMBER** or exemption category beside your name in Box B. Collection of Tax File Numbers is authorised by taxation laws. Quotation of your Tax File Number is not compulsory and will not affect your application.

C Enter your **POSTAL ADDRESS** for all correspondence in Box C. All communications to you from the Company's Registry (shareholding statement, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.

D In Box D enter details of contact person, telephone number, email address and facsimile number if any enquiries need to be made by the Company or the Registry.

E Insert the **NUMBER OF SHARES** you wish to apply for in Box E.

F Insert the amount of your **APPLICATION MONIES** in Box F. The amount must be equal to the number of Shares applied for (as in Box E) multiplied by $0.20 per Share.

G Insert the **TOTAL AMOUNT OF YOUR CHEQUE(S)** in Box G. The total amount of your cheque(s) must equal the total application monies (see Box F). Cheques must be in Australian dollars, drawn on an Australian bank and made payable to **'Paradigm Gold Limited Float Account'** and crossed **'NOT NEGOTIABLE'**. Do not send cash. A separate cheque should accompany each Application Form lodged. No receipts will be issued.

H Insert drawer and bank details

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The application must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Paradigm Gold Limited. At least one full given name and surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith	John Smith Family trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith and Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Limited	John Smith Superannuation Fund

Minimum subscription: 10,000 Shares. Applications in excess of this should be in multiples of 2,000 Shares.