ParadigmGold

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Drilling in progress at Auburn gold-silver project Qld

On 16 January 2006, Paradigm began drilling at its 100%-owned Auburn project in southeast Queensland (EPM's 15264, 15296) utilising two air-core and reverse circulation (RC) drill rigs. The Auburn project contains several gold and silver bearing epithermal quartz vein prospects which have excellent exploration potential. Many of the veins have small mining pits dating back to the 19th or early 20th century but have received limited modern exploration.

The veins show classic epithermal quartz textures that are also typical of some other gold occurrences in Queensland, including the large vein deposits at Cracow and Pajingo-Vera-Nancy. The Auburn project is located approximately 80km southeast of the Cracow gold deposit in Queensland. The Company will drill test during January three prospects all of which have returned strong gold and/or silver mineralisation during initial sampling:

> New Vein prospect: Recent assay results from several rock chip samples collected in December 2005 returned values of several ounces of silver the highest being 22 oz/t Ag (equivalent to 11 g/t Au at current prices). Gold values are moderate with assays mostly between 0.2-1.0 g/t. This vein is several metres wide at the surface and can be traced for at least 300m. Results of several channel samples taken across the vein structure are pending.
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> Great Eastern and Extended prospects: Limited drilling during the 1980's at Great Eastern returned an intersection of 8m at 1.5 g/t. Paradigm is testing mineralisation along strike and down-dip of this intersection. Dump samples from the old Great Eastern mine have previously returned assays up to 10g/t gold.
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> Brady prospect: Numerous rock samples grading between 1-5 g/t gold and anomalous samples indicate a possible larger gold source at depth. Currently shallow rotary drilling is testing several of these anomalous zones.

For more details of the Company's projects visit www.paradigmgold.com.au

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The information in this report is based on information compiled by Dr Graham Carman who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Carman is a full-time employee of the Company, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2005 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Carman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.