28 April, 2006

Company Announcements Office
Australian Stock Exchange
Sydney

Exploration Activities & Cash Report
March Quarter 2006

Paradigm Gold Limited is pleased to provide its activities and cash report for the three month period ending 31 March 2006. Additional information on the Company's exploration projects and other relevant information is available on the Company's website at www.paradigmgold.com.au.

HIGHLIGHTS

Auburn epithermal gold project, Queensland

- **Drilling at Great Eastern intersected significant gold mineralisation in 6 out of 9 holes with individual 1m intercepts up to 14g/t**
- **Interpretation of the geology at Great Eastern indicates considerable exploration potential exists down-plunge and along strike**
- **Auburn is a large gold-bearing hydrothermal system with 5km of strike and includes 7 prospects which are yet to be drill tested**

Mt David porphyry gold-copper project, NSW

- **Alteration indicative of a porphyry system has been encountered in initial drilling confirming the 'Cadia' geological model is appropriate**
- **A small drill program will be jointly funded by Paradigm and its joint venture partner to test two new priority targets in May 2006**

EXPLORATION ACTIVITIES

1. NEW ENGLAND FOLD BELT, EASTERN AUSTRALIA

Auburn epithermal gold project, southeast Queensland

Third quarter drilling

RC percussion drilling was completed at two of the gold prospects at Auburn during the quarter, Great Eastern and Bottle Tree. Aircore drilling was completed at Brady's prospect. The results of this drilling are summarised below.

The Auburn gold project is located in southeast Queensland about 300km northwest of Brisbane. Paradigm has 3 current exploration permits (EPM's 15264, 15296, 15322) covering an area of 105 sq km. Gold was mined in the Auburn area from small underground shafts in the late 19th century. The area has received limited gold exploration in modern times.

Since late 2005, Paradigm has recognised numerous gold vein prospects some of which have characteristics in common with the epithermal quartz lodes at Cracow 80km to the northwest. Typical epithermal characteristics include the open-space and banded quartz textures, the gold-silver association, and anomalous gold pathfinder geochemistry (including mercury, antimony, and tellurium). Host rocks at Auburn are Permian-age mafic intrusive rocks consisting of diorites and gabbros.

<u>Great Eastern prospect</u>
At the Great Eastern prospect 1076m of RC percussion drilling was completed during the quarter with 9 out of 13 holes reaching target depth. Drilling was difficult in places due to broken ground encountered in a fault zone. Holes were drilled along strike and down-dip of old mine workings to a maximum vertical depth of 110m. Two quartz veins were intersected consistently with widths of between 1 and 5 m. The quartz lodes dip between 60 - 80 degrees to the southwest and can be traced discontinuously at surface for about 500m along strike. The two lodes are 20-50m apart, as shown on the surface plan in Figure 1.

Drill intercepts in lode 1 are plotted on a longitudinal section (Figure 2). High-grade gold mineralisation is believed to occur in a 100m-long shoot that plunges to the north. The lodes are offset and duplicated by a thrust fault. Broken ground in this fault unfortunately prevented the completion of drill holes GEP007 and GEP012 targeted to intersect lode 1 at about 100m depth. Mineralisation is interpreted to plunge beneath the low-angle fault to the north, and because of this several strong targets remain untested (Figure 2).

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Table 1. Best drill intercepts at Great Eastern

Drillhole	Lode	From (m)	Intercept (m)	Au (g/t)
GEP001	1	19	2	5.2
incl	1		1	9.0
GEP002	1	68	1	1.5
GEP003	1	50	1	14.2, followed by 2m no recovery
GEP009	2	41	3	1.8
incl	2		1	4.1
GEP010	2	7	2	1.7
GEP010	2	103	1	2.9
GEP011	1	30	3	1.0
GEP011	1	38	13	0.5 (end of hole)

Bottle Tree prospect
A drill program consisting of 492m in 11 holes partially tested a strike length of 150m at Bottle Tree. Lode silver-gold mineralisation has a shallow dip at about 20 degrees to the southwest. Only 4 of the holes intersected vein mineralisation to a maximum depth of 30m. Some of the other shallow holes were drilled beneath the lode in the footwall, and with hindsight had little chance of intersecting mineralisation.

The Bottle Tree lode is generally 1-2m true width where intersected in the drilling, and was generally low in gold although stronger in silver (see Table 2). Five channel samples were collected across the lode along a strike length of about 100m and these encountered better gold grades. The best channel sample results are shown in Table 3.

Table 2. Best drill intercepts at Bottle Tree

Drillhole	From (m)	Intercept (m)	Au (g/t)	Ag (g/t)
BTP002	5	1	0.3	128

Table 3. Best channel samples at Bottle Tree

Channel	Intercept (m)	True width (m)	Au (g/t)	Ag (g/t)
CH001	4	1	0.5	33
CH002	6	2	0.5	117
CH005	6	2	2.9	65

Brady prospect
At the Brady prospect 1013m of air-core drilling was completed with holes drilled to refusal, on average 20-30m depth. This drilling tested the shallow sub-cropping quartz veins sampled at Brady's along a projected 450m of strike length. Several holes intersected narrow quartz veins with anomalous gold assays up to 0.25g/t over several metres.

Following an interpretation of the structural controls at Brady's, additional RC drilling is required to properly test the depth extent of gold mineralisation.

Future exploration at Auburn

The drill results at Great Eastern are encouraging and indicate this vein system has significant potential. Although the current gold intercepts are narrow, few holes (if any) intersected the plunging high-grade shoot exploited near surface at the old Great Eastern mine. A low-angle thrust fault offsets the vein system, allowing the possibility for the duplication of shoots above and below the fault. The main shoot is interpreted to plunge beneath the low-angle fault, with mineralisation open to the north. Diamond drilling is required to adequately test this target due to difficult ground conditions in the fault.

Drilling at Bottle Tree did not adequately test the mineralised structure. The deepest intersection occurred at 30m depth. Further analysis is required to locate thicker zones of mineralisation. Other gold prospects occur along a northwest-trending structure 5km in length. Of 10 prospects identified so far at Auburn, only 3 have been drilled with about 80% of the structure still untested.

The Company is giving consideration to the optimum strategy for further exploration at Auburn, and will advise shareholders once this strategy is decided.

Brovinia project, Queensland

No significant exploration was conducted during the current quarter, except for routine field checking of gold prospects reported close to the old May Queen mine. May Queen was drilled by Paradigm during the second quarter, resulting in narrow high-grade gold intercepts beneath the mine. The Brovinia project (EPM 15036) is the subject of a joint venture with the tenement holder Copper Strike Ltd. Under the terms of the deal Paradigm can earn 40% of the project by spending $500,000 on exploration over 3 years with an option to earn 51%.

Guyra project, NSW

No work was conducted at Guyra (EL 5976) during the quarter. The project hosts a low-grade copper-molybdenum porphyry overprinted by silver-gold bearing epithermal quartz veins along a structure at least 3km in length. Potential exists for high-grade silver and gold quartz veins to be hidden beneath shallow cover rocks. Additional geophysical prospecting is required to help identify possible concealed veins. The Company believes the Guyra project could be an attractive farm-in for potential silver explorers in the New England region.

Lighthouse Gully project, Queensland

No exploration was carried out at Lighthouse Gully (EPM 13878) during the quarter. Lighthouse Gully hosts a porphyry copper-gold prospect which the Company discovered in 2005. Further work is warranted to test the perimeter and depth extent of the system buried beneath 100m of sedimentary cover. A renewal application for EPM 13878 has been submitted and is expected to be granted shortly.

2. LACHLAN FOLD BELT, SOUTHEAST AUSTRALIA

Mt David Joint Venture

Porphyry gold-copper project, NSW

Third quarter drilling and soil sampling

Exploration continued around the old Mt David gold mine consisting of mapping, auger soil sampling, and drilling of a single diamond tail.

Auger soil samples were collected at 25m spacing along three grid lines across the Mt David mine area to a depth of 1-2m. Results of the soil sampling confirm a significant gold-in-soil anomaly surrounding the Mt David mine associated with a northwest-trending structure and quartz-sericite-pyrite alteration of the volcanic sedimentary rocks. A 200m-wide gold anomaly (+100ppb) trends north-northwest and is open to the north of the mine where basement rocks are obscured by thin Tertiary basalt (Figure 3). This northern area is an obvious exploration target, and will be investigated during the fourth quarter.

RC drill hole MTD003 was deepened with a diamond tail during the quarter to drill test one of the modelled magnetic anomalies. From 150m to 216m (end of the hole) MTD003 drilled into a magnetic ultramafic intrusive rock, the probable source of the magnetic anomaly. Although only weakly mineralised with copper the ultramafic intrusive and overlying volcanic rocks are pervasively affected by porphyry-style potassic (biotite) and sulphide (pyrite) alteration. This is significant because it indicates magmatic fluids capable of carrying and depositing copper / gold were present. All three holes drilled have encountered similar alteration, suggesting the presence of a large magmatic hydrothermal system at Mt David.

Exploration planned for next quarter

Two high-priority targets will be drill tested early in the fourth quarter. Both drill targets are located within 1km of the Mt David mine, and designed to test the possible extension of the Mt David mineralisation beneath the cover. A geophysical (IP) anomaly about 1km north of the mine suggests the presence of disseminated sulphides, and will be the first target to be drill tested. The other drill target will test the extension of gold mineralisation northwest of the mine area interpreted from the soil data (Figure 3).

Background

Mt David is a joint venture between Paradigm and the tenement holder Jaguar Minerals Limited (EL 5242) located 60km south of Bathurst in central NSW. Both Paradigm and Jaguar are contributing equally to the current exploration program. If it decides to continue to the next phase Paradigm can earn 50% of the Mount David project by spending $450,000 on exploration over 3 years.

North Cadia project, NSW

Paradigm is continuing to discuss farm-out terms at North Cadia with interested parties (EL's 5963, 6028, & 6259).

Brown Mountain project, NSW

No exploration work was carried out at Brown Mountain (EL's 5980 & 6277) during the quarter. Applications for tenement renewals will be completed during the fourth quarter.

3. NEW OPPORTUNITIES

New projects continue to be assessed for their suitability as major new ventures for the Company.

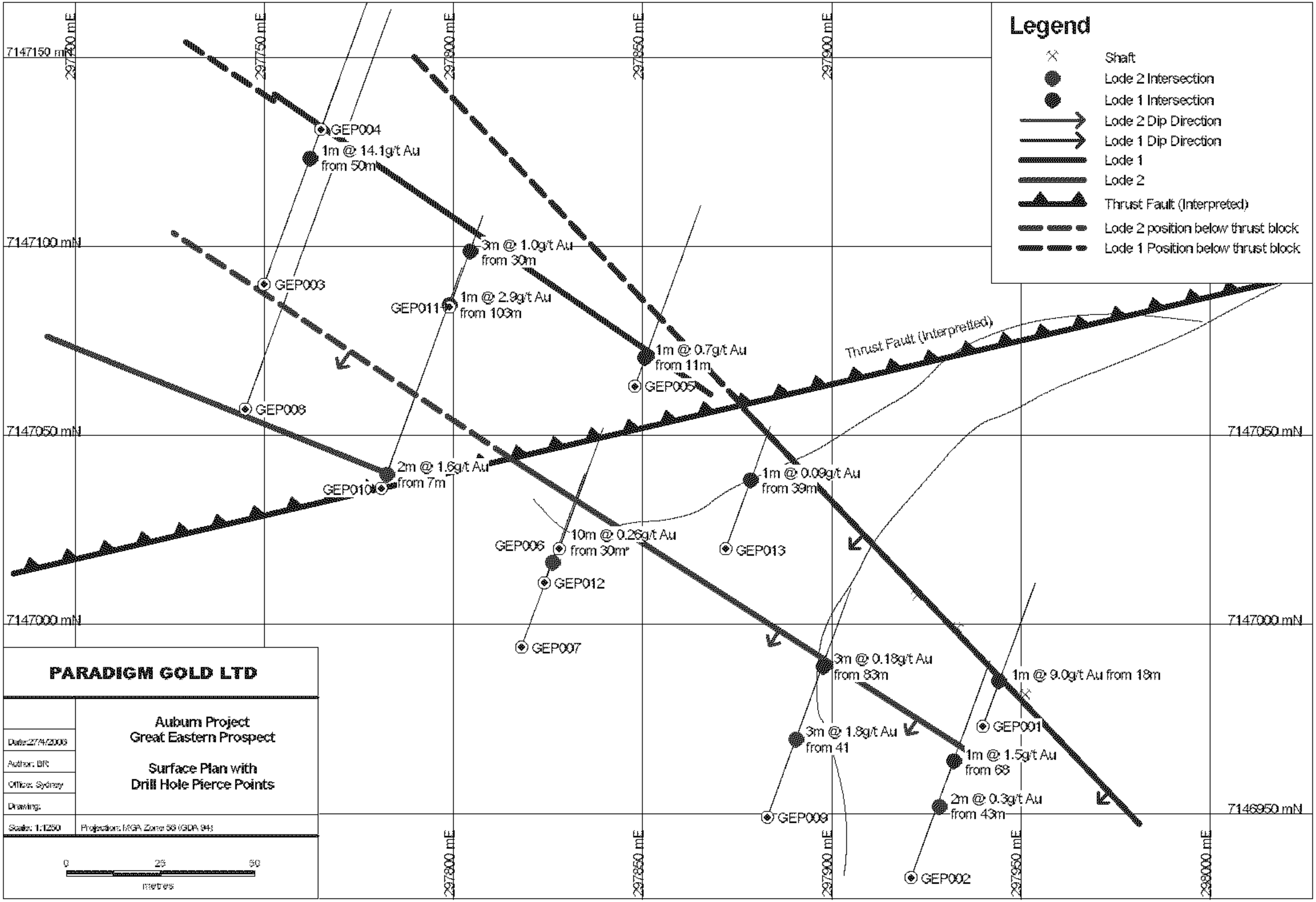
Yours faithfully,

GRAHAM D CARMAN, PhD., Member AUSIMM
Managing Director
PARADIGM GOLD LIMITED

28 April, 2006

The information in this report that relates to exploration results 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. Dr Carman 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.

List of attached figures.



Legend
Shaft
Lode 2 Intersection
Lode 1 Intersection
Lode 2 Dip Direction
Lode 1 Dip Direction
Lode 1
Lode 2
Thrust Fault (Interpreted)
Lode 2 position below thrust block
Lode 1 Position below thrust block
7147150 mN
7147100 mN
7147050 mN
7147000 mN
7146950 mN
297700 mE
297750 mE
297800 mE
297850 mE
297900 mE
297950 mE
298000 mE
GEP004
1m @ 14.1g/t Au
from 50m
3m @ 1.0g/t Au
from 30m
GEP003
GEP011
1m @ 2.9g/t Au
from 103m
1m @ 0.7g/t Au
from 11m
GEP005
GEP008
Thrust Fault (Interpreted)
2m @ 1.6g/t Au
from 7m
GEP010
1m @ 0.09g/t Au
from 39m
10m @ 0.26g/t Au
from 30m
GEP006
GEP013
GEP012
GEP007
3m @ 0.18g/t Au
from 83m
1m @ 9.0g/t Au from 18m
GEP001
3m @ 1.8g/t Au
from 41
1m @ 1.5g/t Au
from 68
2m @ 0.3g/t Au
from 43m
GEP009
GEP002
PARADIGM GOLD LTD
Auburn Project
Great Eastern Prospect
Surface Plan with
Drill Hole Pierce Points
Date:27/4/2006
Author: BR
Office: Sydney
Drawing:
Scale: 1:1250
Projection: MGA Zone 56 (GDA 94)
0
25
50
metres

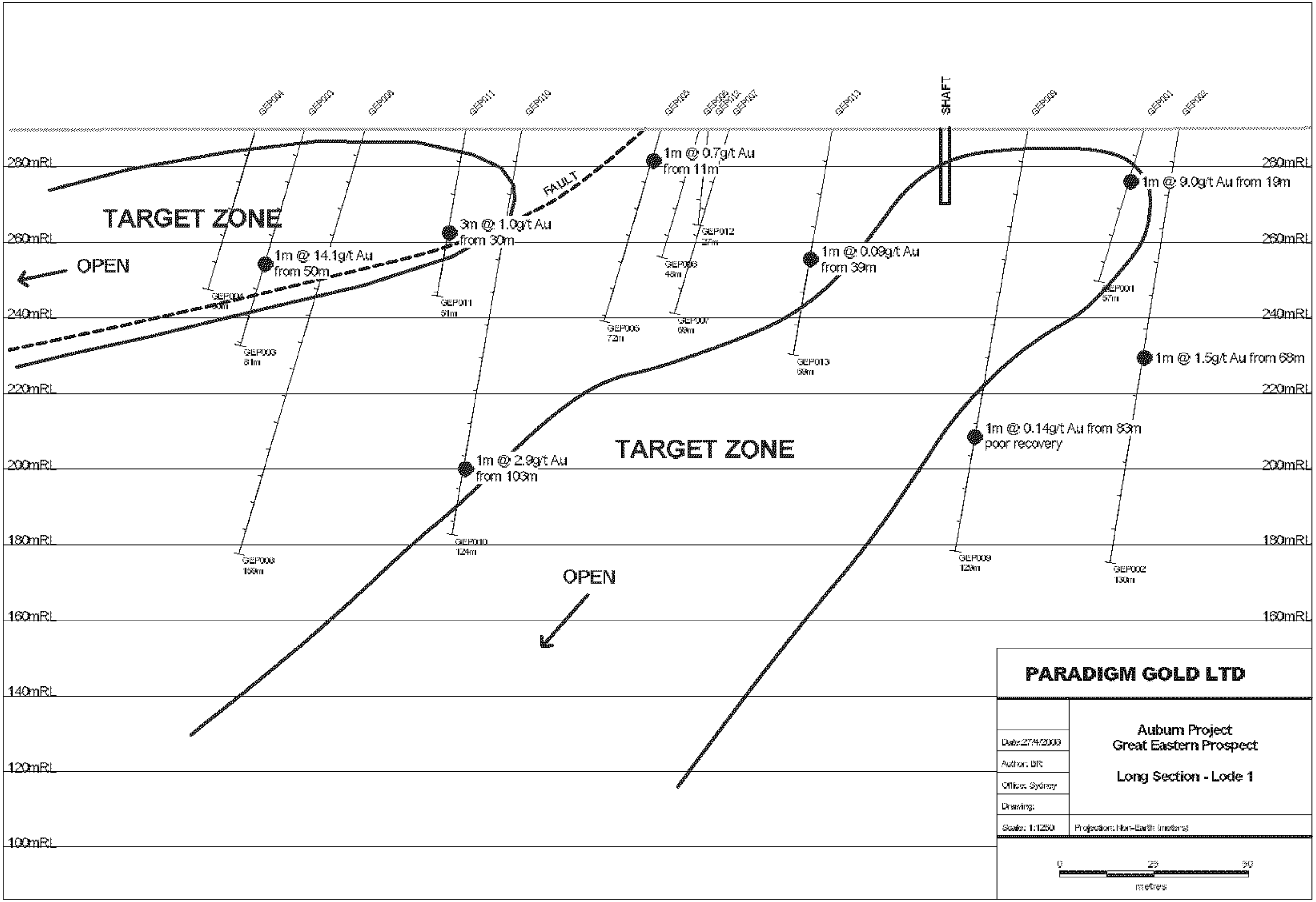
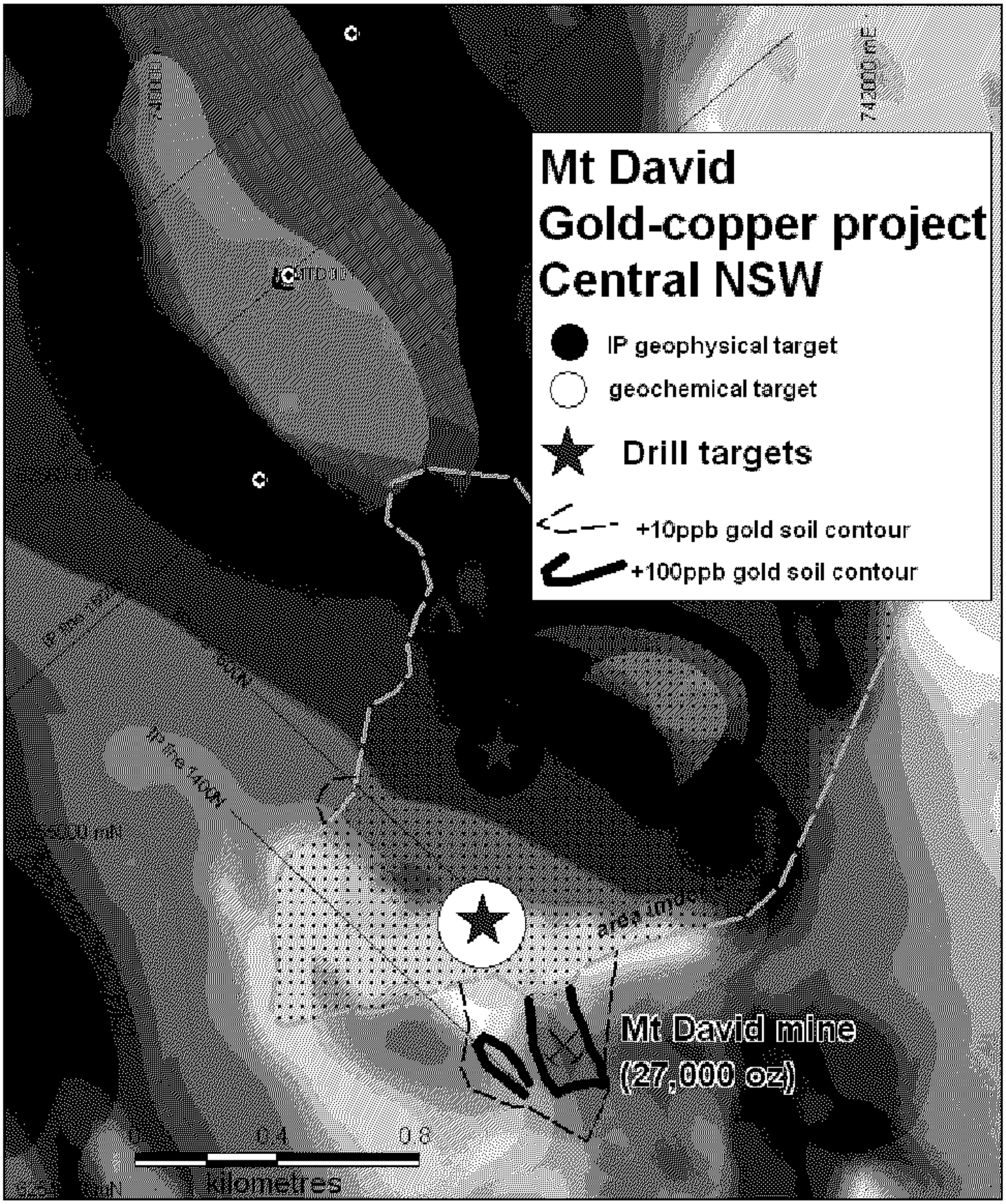

SHAFT
280mRL
260mRL
240mRL
220mRL
200mRL
180mRL
160mRL
140mRL
120mRL
100mRL
TARGET ZONE
OPEN
FAULT
1m @ 0.7g/t Au from 11m
1m @ 9.0g/t Au from 19m
3m @ 1.0g/t Au from 30m
1m @ 14.1g/t Au from 50m
1m @ 0.09g/t Au from 39m
1m @ 1.5g/t Au from 68m
1m @ 0.14g/t Au from 83m poor recovery
1m @ 2.9g/t Au from 103m
TARGET ZONE
OPEN
GEP003 81m
GEP011 51m
GEP005 72m
GEP007 69m
GEP013 69m
GEP008 159m
GEP010 124m
GEP009 129m
GEP002 130m
PARADIGM GOLD LTD
Auburn Project
Great Eastern Prospect
Long Section - Lode 1
Author: BR
Office: Sydney
Drawing:
Scale: 1:1250
metres

Figure 3. Magnetic image of Mt David project with gold soil contours and drill targets for next quarter.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PARADIGM GOLD LIMITED

ABN	Quarter ended ("current quarter")
28 102 747 133	**31 March 2006**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(244)	(458)
	(b) development		
	(c) production		
	(d) administration	(99)	(289)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	29	85
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(314)	(662)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		27
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		27
1.13	Total operating and investing cash flows (carried forward)	(314)	(635)

1.13	Total operating and investing cash flows (brought forward)	(314)	(635)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held	(314)	(635)
1.20	Cash at beginning of quarter/year to date	1,628	1,949
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1,314	1,314

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(32)
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A

1.25 Explanation necessary for an understanding of the transactions

Payments to Non-Executive Directors - $32,500

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	N/A	
3.2	Credit standby arrangements	N/A	

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	180
4.2	Development	N/A
	Total	**180**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	11	45
5.2	Deposits at call	1,303	1,583
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	1,314	1,628

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2	Interests in mining tenements acquired or increased	N/A			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	44,132,178	44,132,178		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A			
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	14,975,469	14,975,469	*Exercise price* *$0.25*	*Expiry date* *18TH May 2008*
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .. .. Date: 28 April 2006
(Director)

Print name: Graham D Carman

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.