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Companies Announcements Office,
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MT ISA URANIUM UPDATE & TUNGSTEN OPTION EXERCISED

Uranium projects, Mt Isa region

A final draft agreement has been concluded with representatives of the Mitakoodi native title group, the traditional owners of the region covering the Cloncurry exploration permit applications containing anomalous uranium east of Cloncurry (EPMA's 15325, 15906, 15931). The Company expects to sign the final agreement with the Mitakoodi within days, allowing for the granting of these licences to be fast-tracked early in the New Year.

Paradigm is actively looking to acquire new uranium properties to increase its exposure to uranium exploration in the Mt Isa region. Discussions are continuing with several parties who control prospective acreage in the area.

Option exercised at White Rock tungsten project, NSW

Paradigm has exercised its option to purchase two exploration licences (ELs 6274 & 6590) prospective for tungsten from Copper Strike Ltd (CSE) at Rye Park, 120km south of Orange in central NSW. The two exploration licences cover an area of 410 square kilometres of highly prospective terrain, including the White Rock tungsten Resource. The project lies on the southern extension of a major north-south mineral lineament in central NSW extending southwards from the Copper Hill and Cadia - Ridgeway deposits.

The White Rock scheelite-magnetite deposit contains an Indicated and Inferred Mineral Resource of 150,000 tonnes @ 0.9% WO₃ (see below). Paradigm has carried out a due diligence on the project, including detailed ground magnetic surveys over areas adjacent to the known Resource. This work has identified at least 10 individual magnetite skarn bodies at shallow depth along an interpreted 10km granite margin. Only one of these bodies (i.e., the White Rock Resource) has been drilled to any significant degree. On this basis, Paradigm believes there is excellent exploration potential to quickly expand the Resource base. Because the tungsten is associated with magnetite (a strongly magnetic iron oxide mineral), exploration can be driven by cost-effective geophysical surveys prior to drilling.

Paradigm believes the area has the potential to host its *target deposit* of at least 1 million tonnes grading 1% WO₃, equivalent to 10,000 tonnes contained WO₃. Using current tungsten prices and based on a number of simplistic assumptions, a 1 million tonne deposit grading 0.8% WO₃, mined over 5 years as an open-cut, would require quite modest capital and could produce significant returns. With relatively shallow mineralisation and modest development costs, this project has the potential to generate early cash flow, and strengthen Paradigm's capacity to continue with its other activities.

The consideration to CSE for the purchase of the two ELs is as follows:

- Paradigm will issue 5 million three-year unlisted options at a strike price of 7.5 cents when the ownership of the tenements is transferred;
- Reimbursement of exploration costs up to a maximum of \$100,000, when at least \$350,000 additional funds are next raised by Paradigm;
- \$500,000 in cash when a JORC Indicated Resource of at least 5,000 tonnes of WO₃ at a grade of not less than 0.5% WO₃, or a JORC compliant Indicated Resource of another metal of at least equivalent value, is found on the tenement(s);
- \$1,500,000 in cash when a positive feasibility study or decision to mine is reached on any metal deposit within the tenements.

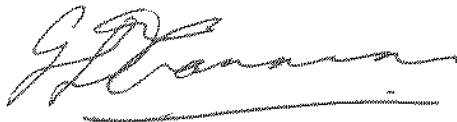
Some background information on tungsten is included in Attachment A. Details of the Mineral Resource estimate are contained in Attachment B.

More detailed information on the magnetic targets at White Rock will be released to the market when the initial interpretation of the new data is completed. The project area can be viewed on *Google Earth* at the following longitude/latitude coordinates: 148.90° East, -34.52° South.

Corporate: Retirement of Mr Soper as Director

As the White Rock Project moves forward, Paradigm is likely to become a competitor of King Island Scheelite Ltd (KIS) which is pursuing a tungsten project on King Island. In view of this, Mr Ray Soper who is a Director of Paradigm and KIS, has advised the Paradigm Board that he will step down as a Paradigm Director on 1 February 2007. However, he will remain available to assist Paradigm as a consultant as required on exploration and other matters not involving tungsten.

More details on the Company and its projects can be found on the website at www.paradigmgold.com.au



Graham D Carman
Managing Director, PhD, MAUSIMM

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 2004 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.

Attachment A

Background market on tungsten market

The biggest use for tungsten is as cemented carbides or 'hard metals', in industrial applications such as tools and dies. Tungsten is also used in light filaments and in the military to make armour-piercing bullets. The metal has an extremely high melting point meaning it is essential for use in the drilling industry due to its hardness and ability to withstand heat and friction.

China produces about 85% of the world's tungsten supply. Due to the recent high demand, China has become a net importer of tungsten ore, only exporting finished products containing tungsten. Prices for tungsten are up around 180% in the last two years. Tungsten is mined in minor quantities in Russia, Canada, Austria, Portugal, and Bolivia. The only current Australian production comes from the Kara mine in Tasmania as a by-product to magnetite ore.

Tungsten is usually priced as ammonium paratungstate (APT) which during 2006 has averaged about A\$250 per metric tonne unit (MTU) of WO_3 . At these prices one tonne of APT is valued at A\$25,000.

Attachment B

Mineral Resource estimate at White Rock

Paradigm has completed a revised Mineral Resource estimate based on previous drilling at White Rock (Tables 1 & 2). Although most of the drilling was carried out in the 1950's, we believe the assay data is of a high quality with the grades largely confirmed by the more recent drilling.

An Indicated and Inferred JORC Mineral Resource estimate of 148,000 tonnes at 0.9% WO_3 has been calculated using a 0.2% WO_3 cut-off. This equates to 135,000 MTU of contained WO_3 .

The Mineral Resource was calculated on the basis of 40 diamond and reverse circulation drill holes using weighted average grade-thickness calculations on eleven drill sections. The strike length of the known mineralisation is 150 metres at an average horizontal width of 35 metres. The true thickness (depth extent) of the resource is 7 metres, and the resource was calculated to a maximum depth of 40 metres. Tungsten mineralisation remains open to the east. A rock density of 4.0 tonnes per cubic metre was used, based on the high specific gravity of magnetite (density = 5.0 t/m³) which is a major component to the mineralisation.

Several high-intensity magnetic anomalies occur in the immediate vicinity of the resource that have not been drill-tested (see attached Figure).

Table 1: Results of reverse circulation drilling by Copper Strike Ltd, 2006**

Hole No.	Easting GDA	Northing GDA	R.L. (m)	Dip (°)	Azimuth (°)	True Thick- ness (m)	Grade (%WO ₃)	Vert Depth (m)
RPB	674901	6180872	526.71	75	288	2	1.10	1
						7	0.25	9
RPC	674931	6180901	528.77	90		4	1.01	16
RPD	674942	6180886	527.56	90		3	0.13##	11
RPE	674915	6180926	531.78	90		5	0.91	27
RPF	674934	6180947	530.29	65	283	9	1.01	24
RPG1	674949	6180957	529.82	90		Did not reach target depth		
RPG2	674959	6180953	529.44	90		Did not reach target depth		
##also includes 1.43g/t gold								

Table 2: Results of diamond drilling by Tungsten Consolidated, 1950s **

Hole No.	Easting GDA	Northing GDA	R.L. (m)	Dip (°)	Azimuth (°)	True Thick- ness (m)	Grade (%WO ₃)	Vert Depth (m)
1	674874	6180855	524.6	90		7.6	0.25	0
						0.6	0.80	12.2
						2.4	0.80	24
2	674873	6180856	528.8	45	316	5.2	0.10	5
						2.6	1.1	9.8
3	674894	6180876	526.1	90		6.3	1.33	8.9
4	674893	6180876	525.9	45	325	7.8	0.73	6.7
5	674892	6180876	525.9	45	280	6.8	2.41	6.9
6	674895	6180858	525.8	90		3.5	0.20	8.6
7	674911	6180902	530.1	90		5.8	0.82	23
8	674949	6180939	529.5	45	302	4.3	0.74	14
						10.2	0.57	22
9	674952	6180955	529.9	45	296	0.8	1.1	35
10	674933	6180960	531.3	90		2.0	0.77	30
11	674932	6180946	530.7	90		8.5	0.7	24
12	674950	6181037	530.3	90		6.7	0.55	10
13	674935	6181036	532.7	90		-	-	-
14	674953	6181052	532.4	90		-	-	-
15	674965	6181036	532.0	90		-	-	-
16	674947	6181021	531.9	90		8.6	0.18	13.6
17	674728	6180817	523.6	90		-	-	-
18	674910	6180954	534.6	90		3.8	2.76	30
19	674911	6180966	534.6	90		-	-	-
20	674922	6180922	531.5	90		9.5	1.5	24
21	674928	6180890	524.9	90		7.2	1.3	13
22	674870	6180874	541.4	90		4.4	1.9	8.4
						2.1	0.30	16
26	674854	6180828	526.6	90		-	-	-
27	674855	6180840	522.7	90		-	-	-
28	674855	6180841	524.8	45	282	-	-	-
29	674886	6180846	527.8	90		-	-	-
30	674928	6180855	529.4	90		-	-	-
31	674905	6180869	527.1	90		3.0	0.3	9
32	674904	6180887	527.1	90		0.7	1.30	6
						5.0	0.27	13
33	674903	6180888	527.1	45	282	-	-	-

** Results previously released by Copper Strike Ltd on 22 June 2006 have been recast here as true thickness and true depth to top of mineralisation.

White Rock tungsten deposit: Ground magnetics
Resource & target areas

