Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

22 March 2007

Dear Sir/ Madam

Rights Issue Closes With Strong Support

The Company advises that its 1 for 4 non-renounceable Rights Issue, to raise approximately $1.655 million, closed on 20 March 2007, with strong support from shareholders. Subscriptions by Paradigm shareholders totalled $1.646 million (i.e. 99.5% of the amount sought). The shortfall was 60,599 Shares.

The Directors are pleased that Paradigm shareholders have so strongly supported the recent initiatives into uranium and tungsten exploration, and look forward to accelerating the exploration program and delivering positive results.

The Issue was fully underwritten by Far East Capital Limited (FEC).

The Company anticipates issuing all Shares (and the equivalent number of New Options as described in the Rights Issue Prospectus) to participating shareholders and the shortfall to FEC (or its nominees) on or prior to Wednesday, 28 March 2007.

Under the terms of the Company's underwriting arrangement with FEC, FEC may elect before 3 April 2007 to place up to a further 5.5 million Shares and New Options on the same terms as the Rights Issue, subject to any necessary shareholder approval.

Yours faithfully,

Stephen J Lonergan
Company Secretary

About Paradigm:

Paradigm Gold Ltd (ASX code PDM)*, which listed on the ASX in November 2003, is a tungsten and uranium explorer with projects in the Lachlan Fold Belt of NSW and the Mt Isa region of Queensland respectively. The Company is looking to divest its existing gold assets in eastern Australia.*

More information is available at: www.paradigmgold.com.au