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ASX / Media Announcement

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Yellow Mountain gold results and projects update

Yellow Mountain drill results

- Recent drilling confirms the presence of widespread gold mineralisation with zones containing ore-grade intersections
- Air core drilling at Quarry Hill South, EL 6325 (PDM earning 51%) has returned shallow ore-grade gold intersections:
 - 6m @ 3.1g/t Au from 5m in PQS007
 - 2m @ 3.1g/t Au from 10m in PQS001
 - 13m @ 1.0g/t Au from 9m in PQH005 – hole ended still in mineralisation
- Promising initial oxide drill results at the Sheep Yard prospect, EL 7697 (PDM 100%) include:
 - 50m @ 0.44g/t Au from 3m in PMV005
 - 3m @ 1.0g/t Au from 42m in PMV004
 - Deepest hole drilled only to 60m
 - A number of geochemical anomalies are still untested
- The company believes continued exploration to extend the high grade zones is warranted and will define new drill targets using geochemistry and possibly geophysics. Follow-up drilling will be planned on the basis of these results

Frogmore copper project

- New data from the NSW Geological Survey has facilitated a reinterpretation of drill data from the Frogmore project, EL 6590 (PDM 100%) where copper-silver mineralisation is open and untested, adjacent to numerous past copper intercepts.
- A reverse circulation drill program consisting of up to 4 x 200m deep holes will be carried out as soon as possible

Other projects

- Discussions are continuing with 3rd parties re farm-out or sale of non-core base metal and tungsten projects
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Yellow Mountain project

Air core drilling results

Paradigm is pleased to report assay results from a 35-hole air core and shallow RC drill program at the Yellow Mountain project (EL 6325, PDM earning 51%) and Marranoonbah project (EL 7697, PDM 100%), 70km north of Condobolin, central New South Wales.

Drilling took place at five separate prospect areas. The total advance of the drilling was 1405 metres. The average hole depth was 40m, the deepest hole was 60m. All results are summarized in Table 1 appended.

The Directors are encouraged by the results, in particular, at two of the prospects – Quarry Hill South, and Sheep Yard – see Figure 1. Mineralisation is hosted by oxidised (weathered) metasediments and schists, except at Quarry Hill South where mineralisation is hosted by altered mafic volcanics.

Quarry Hill South prospect

Eight holes were drilled along a shallow north-dipping contact between mafic volcanics and footwall metasediments. Six of the holes intersected gold mineralisation with the four best intersections being:

- 6m @ 3.1g/t Au from 5m in PQS007
- 2m @ 3.1g/t Au from 10m in PQS001
- 13m @ 1.0g/t Au from 9m in PQH005 – hole ended in mineralisation
- 7m @ 0.5g/t Au from 27m in PQH002

The prospect is overlain by 1 to 4m of gravel, so gold surface geochemistry in this area may not reflect the true potential (see Figure 1). Gold mineralisation defined in the drilling remains open along strike to the west. A detailed map highlighting the results at Quarry Hill South is presented as Figure 2.

The gold grades in these holes reflect a significant improvement from recent holes elsewhere at Yellow Mountain. Further drilling is required to outline the full potential of Quarry Hill South.

Figure 1. Plan of Yellow Mountain project showing recent drill holes and intersections on gold geochemistry

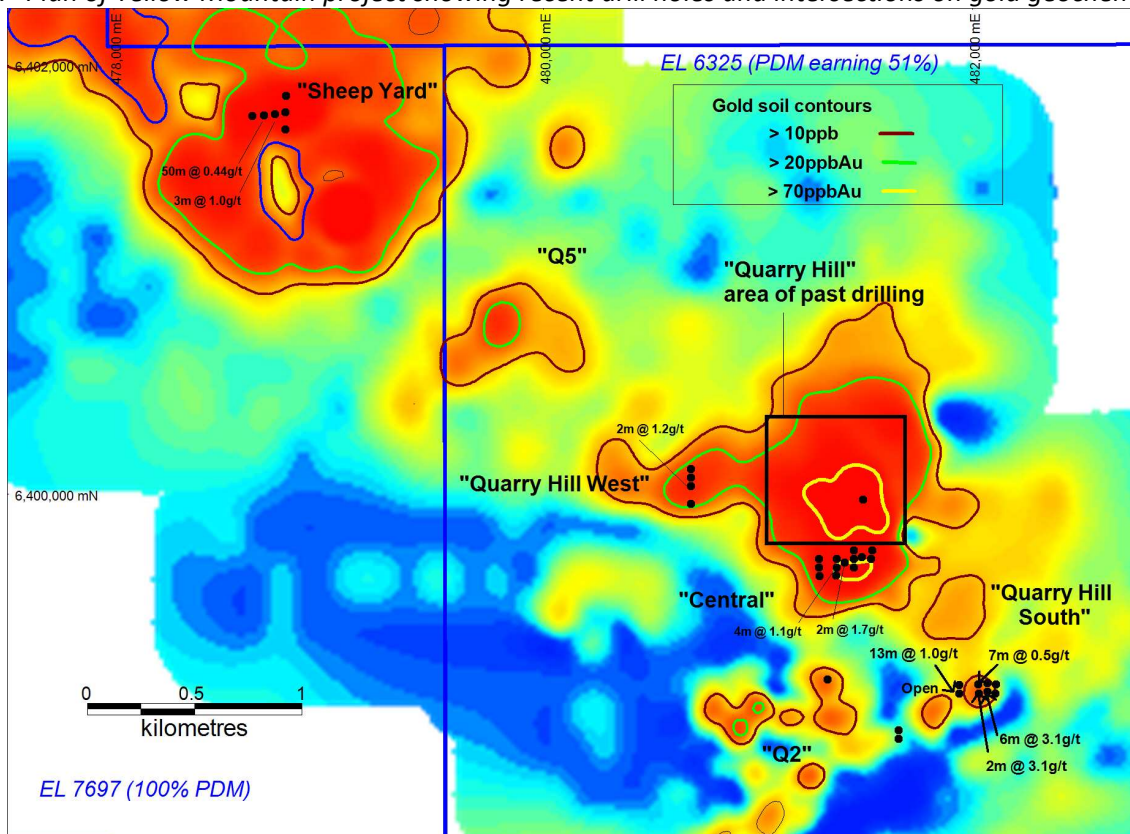
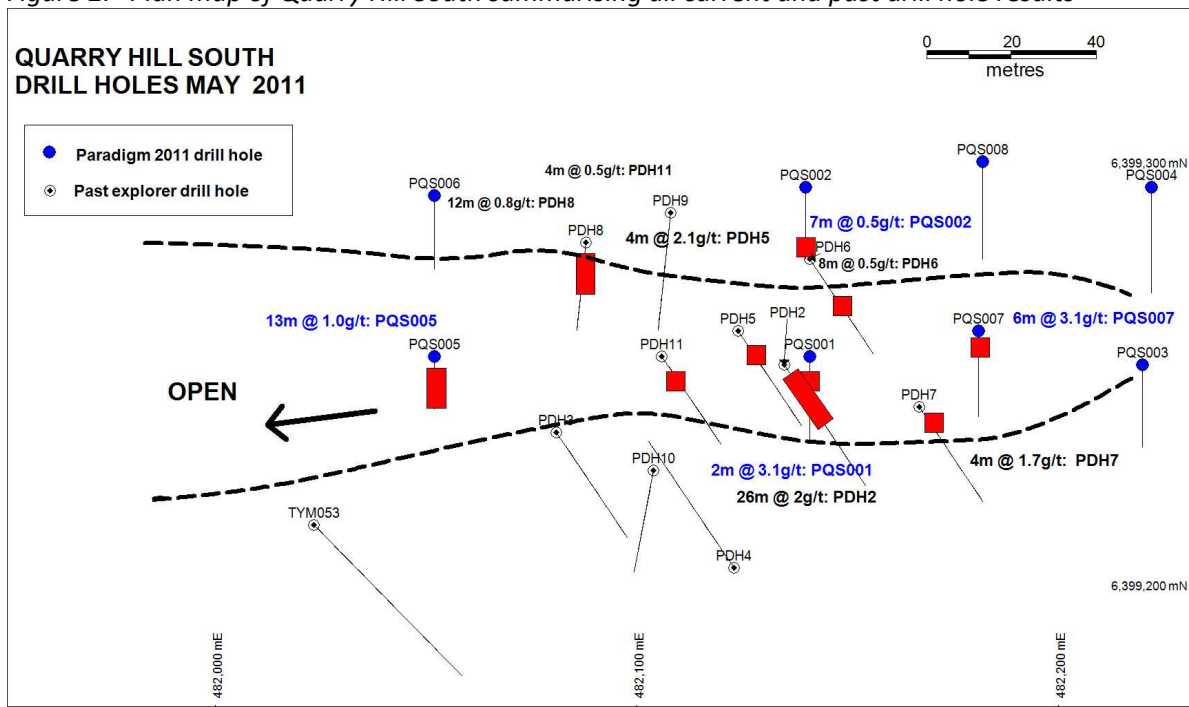


Figure 2. Plan map of Quarry Hill South summarising all current and past drill hole results



Sheep Yard prospect

Six holes were drilled on an east-west coincident gold-arsenic geochemical anomaly at the Sheep Yard prospect. Three holes intersected significant gold mineralisation within oxidized, clay-altered metasediments. Highlights of the results are summarised below, and are plotted on a more detailed map in Figure 3:

- 50m @ 0.44g/t Au from 3m in PMV005, including 2m @ 1g/t Au from 31m and 2m @ 1.3g/t Au from 41m.
- 3m @ 1.0g/t Au from 42m in PMV004.

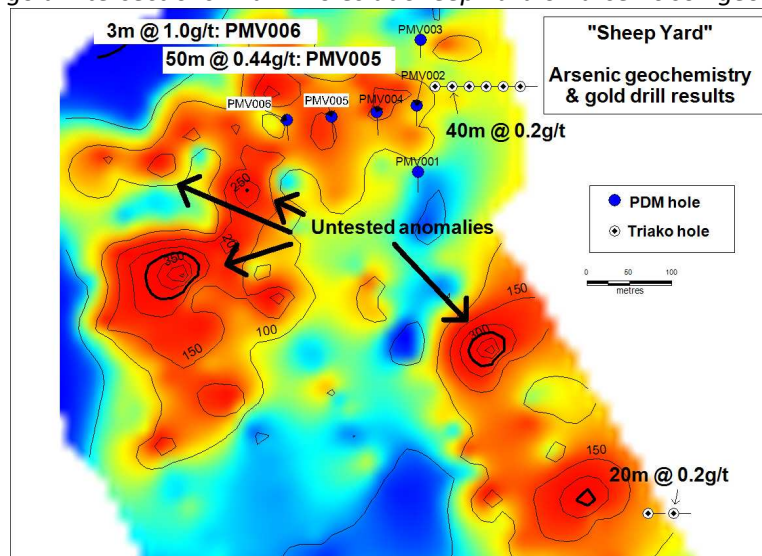
It should be noted that the deepest hole was only 60m (PMV005) still in oxide, so there is potential for sulphide mineralisation to be found at depth.

A soil geochemical survey was carried out over the Sheep Yard area using a portable XRF analyser. This work has highlighted a number of geochemical targets not yet drill tested (see Figure 3).

Further work

Follow-up drilling of these encouraging gold results will be carried out once a suitable drilling rig can be mobilized to site. Prior to drilling, the geochemical anomalies at Sheep Yard will be mapped in detail and sampled for gold.

Figure 3. Map showing gold intersections in drill holes at Sheep Yard on arsenic soil geochemistry



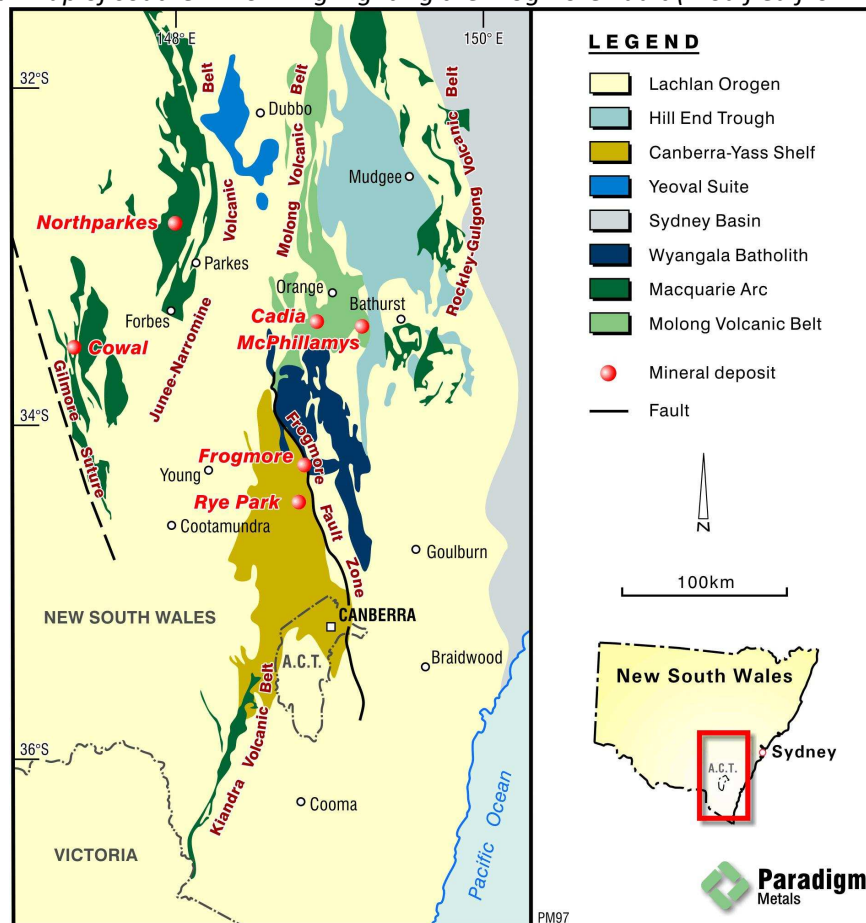
Frogmore project

New geological data

The Geological Survey of NSW has recently released data which shows that the Frogmore Fault Zone, which hosts the Company's 100%-owned Frogmore copper project EL 6590, is a major fault system that extends for some 300km through southern NSW (see Figure 4). Age dating has determined that some of the deposits along the fault are early Devonian in age, similar to the mineralisation age of the world-class Cobar Basin in NSW.

We believe that these observations upgrade the potential for Cobar-style copper and precious metals mineralisation at the Frogmore project.

Figure 4. Geological map of southern NSW highlighting the Frogmore Fault (modified from GSNSW map 2011)



Frogmore copper potential

Paradigm has recently completed a re-interpretation of its drill data from the Frogmore copper project, EL 6590 (PDM 100%). We have reinterpreted the data on the new assumption that mineralisation lies along a north-south trending splay of the Frogmore Fault Zone, and re-plotted all data accordingly.

Figure 5 shows a plan of all drill holes at Frogmore highlighting significant copper - silver intersections, projected to the surface. A north-south longitudinal section (Figure 6) shows that the Pride of Frogmore copper lode is untested below 100m depth at its southern end. Down-hole geophysical probes detected 'off-hole conductors' which may be caused by copper mineralisation within the felsic volcanic host.

A cross section through the deposit shows the geometry of the various copper lenses, and the tendency for the Pride of Frogmore lode to thicken down dip and/or down plunge based on past Paradigm drilling - see Figure 7.

Further work

An upcoming 4 x 200m deep percussion drill program will test the Pride of Frogmore lode to a depth of 100-200m below surface. This drilling will start as soon as a suitable drilling rig can be mobilized to site.

Figure 5. Plan map of Frogmore drill holes showing copper (red histograms) and silver (green histograms) projected to the surface

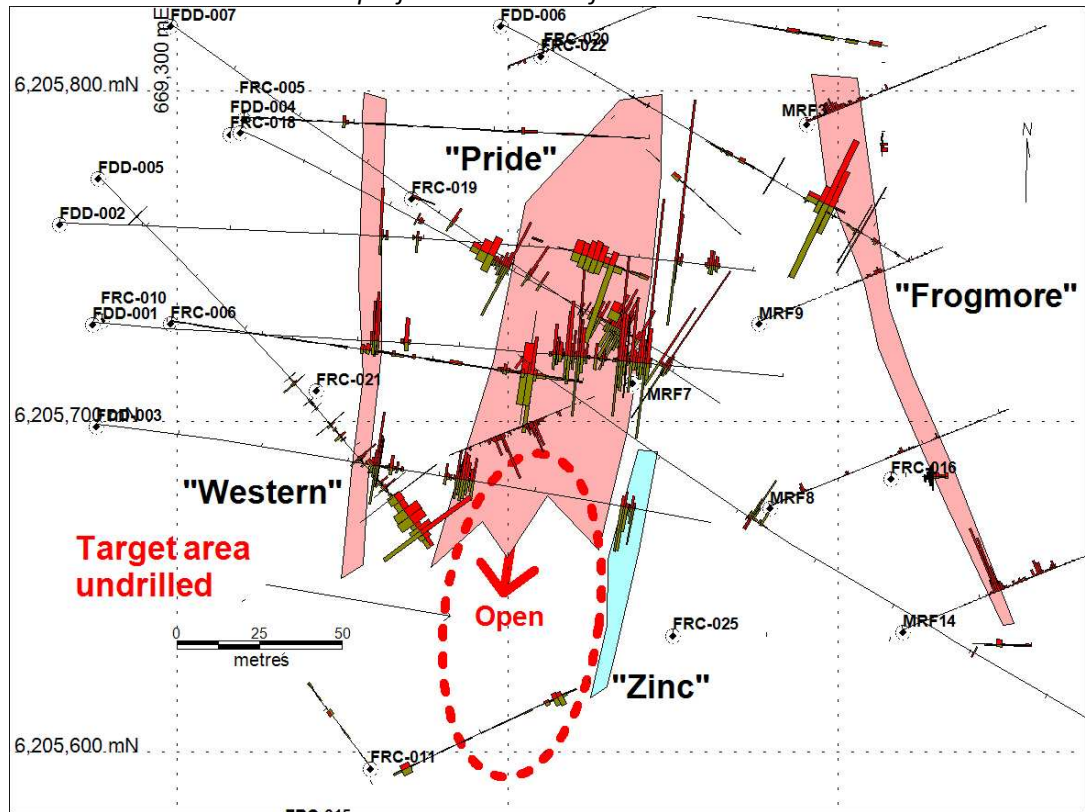


Figure 6. North-South longitudinal section of the Pride of Frogmore plotting copper and silver intersections as above. This data highlights the untested region at the south of the prospect.

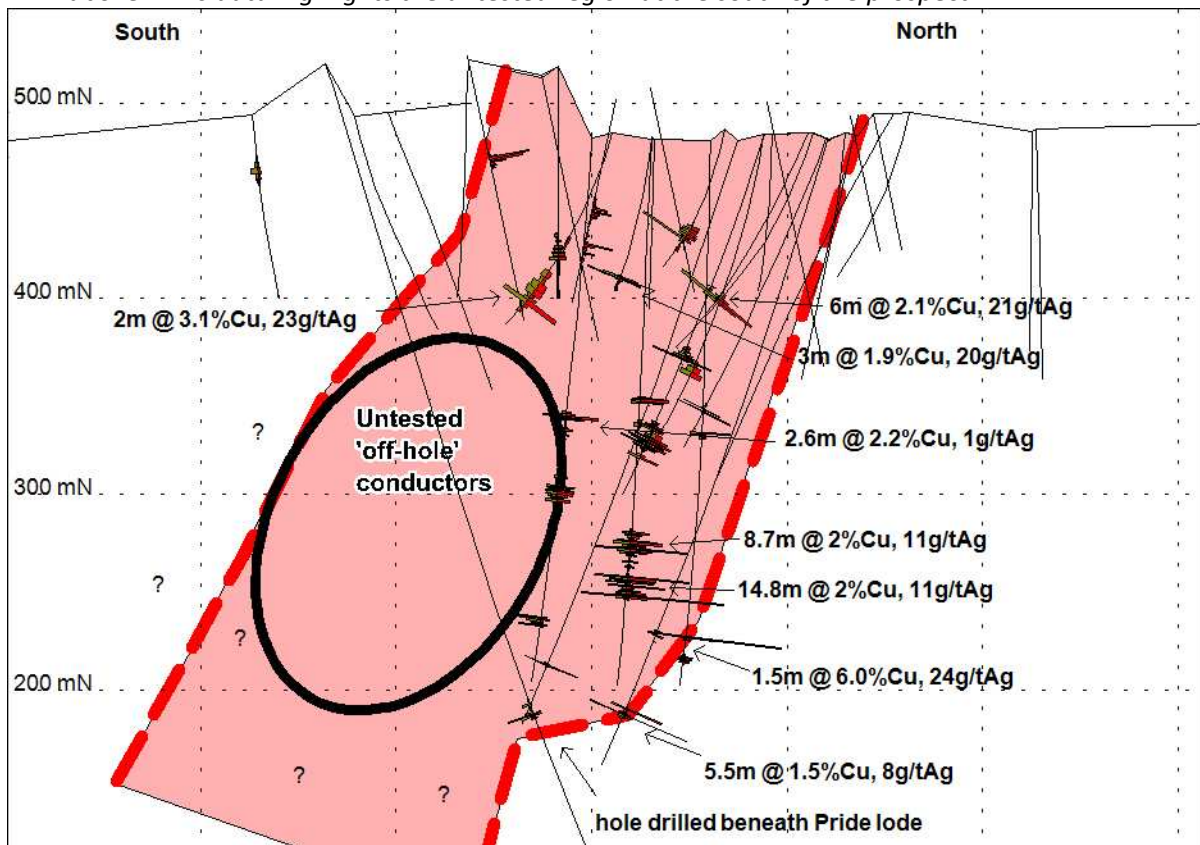
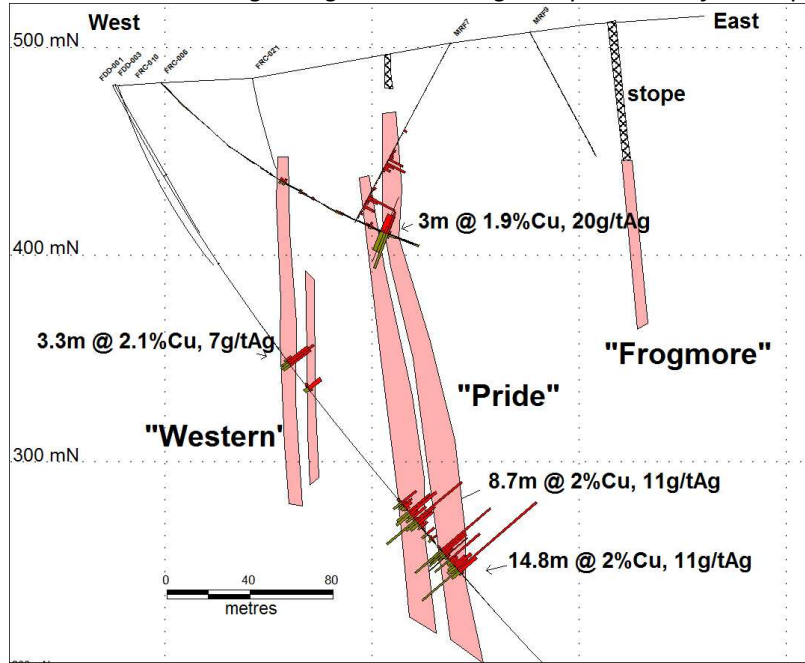


Figure 7. Cross section through Frogmore showing interpretation of the copper lodes



Other base metal and tungsten projects

Paradigm is continuing discussions with parties who have expressed an interest in the company's base metal and tungsten projects in southern NSW.

For further information contact Dr Graham Carman, Managing Director: Ph: 61-2-9955-7130

Figure 8. Map of Paradigm projects in NSW

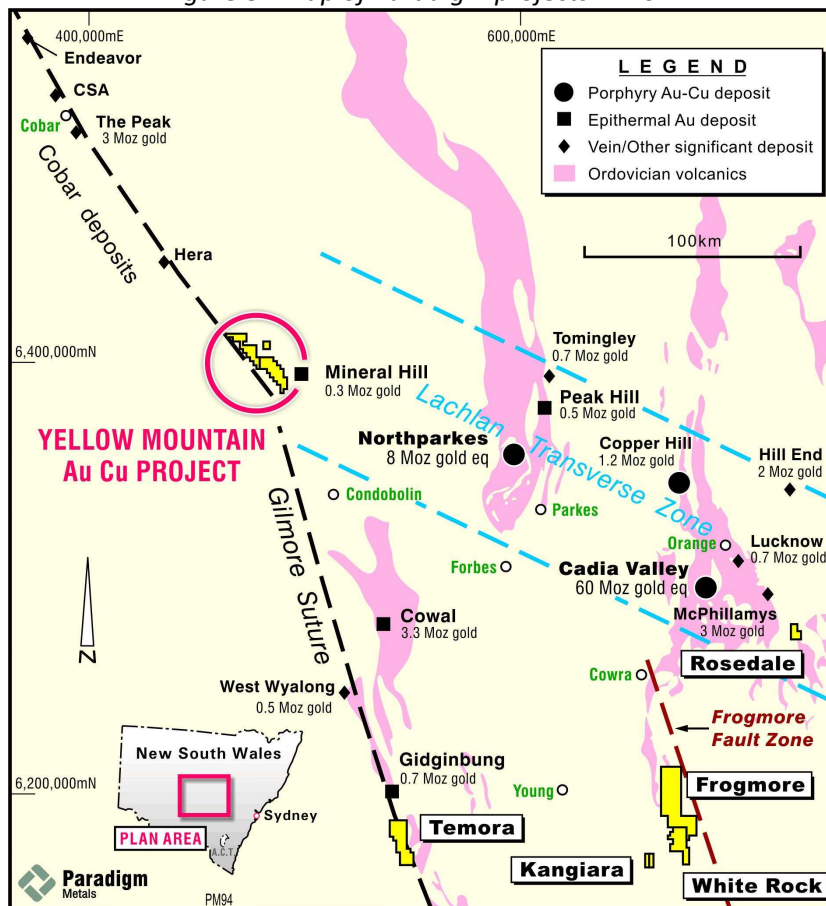


Table 1. Summary of gold intersections from all holes in the April 2011 air core/ percussion drill program at Yellow Mountain

Prospect name	Hole no.	interval m	Au g/t	m from	to	comment
Quarry Hill South	PQS001	14	0.71	10	24	oxide, epidote alteration mafic volcanic
	<i>incl</i>	2	3.07	10	12	
	PQS002	7	0.50	27	34	oxide, hole ended in mineralisation oxide, minor epidote alteration
	PQS003	3	0.42	6	9	
	PQS004	nsr				
	PQS005	13	0.96	9	25	oxide / sulphide, ended in min
	<i>incl</i>	3	1.67	18	21	
	PQS006	nsr				
	PQS007	6	3.09	5	11	oxide, clays
<i>incl</i>	2	5.44	7	9		
PQS008	3	0.82	17	20	oxide, mafic volcanic	
Q2	PQS009	nsr				
	PQS010	nsr				
	PQS011	nsr				
Central	PQH073	nsr				
	PQH074	24	0.39	13	37	oxide, schist
	PQH075	3	0.88	19	22	oxide, schist
	PQH075	3	0.37	29	32	oxide, schist
	PQH076	nsr				
	PQH077	3	0.66	0	3	oxide, schist
	PQH078	2	0.86	8	10	oxide, schist
	PQH078	4	1.08	33	37	oxide, schist
	PQH079	4	0.25	28	32	oxide, schist
	PQH080	nsr				
	PQH081	nsr				
	PQH082	nsr				
	PQH083	nsr				
	PQH084	26	0.51	24	50	oxide, schist
	<i>incl</i>	2	1.65	28	30	oxide, schist
	PQH085	nsr				
PQH086	nsr					
Quarry Hill West	PQW001	nsr				
	PQW002	8	0.73	32	40	oxide, schist
	<i>incl</i>	2	1.21	38	40	oxide, schist
	PQW003	nsr				
PQW004	nsr					
Sheep Yard	PMV001	nsr				
	PMV002	7	0.35	15	22	oxide, schist
	PMV002	3	0.64	35	38	oxide, schist
	PMV003	nsr				
	PMV004	3	1.03	42	45	oxide, schist
	PMV005	50	0.44	3	53	oxide, schist
	<i>incl</i>	2	0.98	31	33	
<i>incl</i>	2	1.31	41	43		
PMV006	nsr					

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.