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ASX / Media Announcement

Kangiarra drilling update: more thick Au-Pb-Zn-Cu intersections

HIGHLIGHTS

- 9 of 12 percussion holes completed at Kangiarra NSW to date have intersected significant visible base metal mineralisation over interpreted true widths of between 15-60 metres – the mineralised structure is 500m in strike length and open to the south;
- Mineralisation in the drill holes is polymetallic; lead - zinc sulphides are dominant at the shallow northern end, while copper sulphide mineralisation appears to be dominant in the eastern footwall and to the south;
- Base metal mineralisation is accompanied by significant gold and/or silver credits;
- Drill hole KAN004 has returned the following significant sulphide intersection:
 - 17 metres at 0.4g/t gold, 11g/t silver, 3.1% lead + zinc from 124 metres, including;
 - 5 metres at 1g/t gold, 22g/t silver, 6.3% lead + zinc from 126 metres depth;
- KAN003 was deepened from 160 to 203 metres following an intersection of 30 metres at 0.9g/tAu, 0.55%Cu, 17g/t Ag, 0.4%Pb+Zn from 130-160 metres; Assays of chalcopryrite mineralisation from 160m to 190m are awaited;
- Assays are awaited for KAN005 and KAN009; thick sulphide intersections in KAN007, 008, 010, 011 and 012 are currently being sampled;
- Drilling has been stopped temporarily for a 2 week rig maintenance period.

Thick extension of mineralised structure found at Kangiarra EL 7273 (PDM 100%)

Paradigm Metals Ltd is pleased to report further assay results and reports of visible base metal sulphide mineralisation from its Kangiarra drilling programme near Boorowa NSW, approximately 100km north of Canberra – see Figure 1 and Table 1 for detailed results.

To date, 12 RC percussion holes have been completed for a total advance of 1700m. Nine (9) of these 12 holes have intersected significant zones of visible base metal mineralisation from depths as shallow as 5m, over interpreted true widths of between 15 to 60 metres. Mineralisation is believed to occur within a north-south structure approximately 50m wide, steeply dipping to the west. The northern end of the mineralised structure was mined for high-grade polymetallic mineralisation by underground mining during the early 1900s. The southern extension of the structure is offset by a fault, and was not discovered by the old miners (see Figure 1). The full length of the structure can be traced for at least 500m, still open to the south.

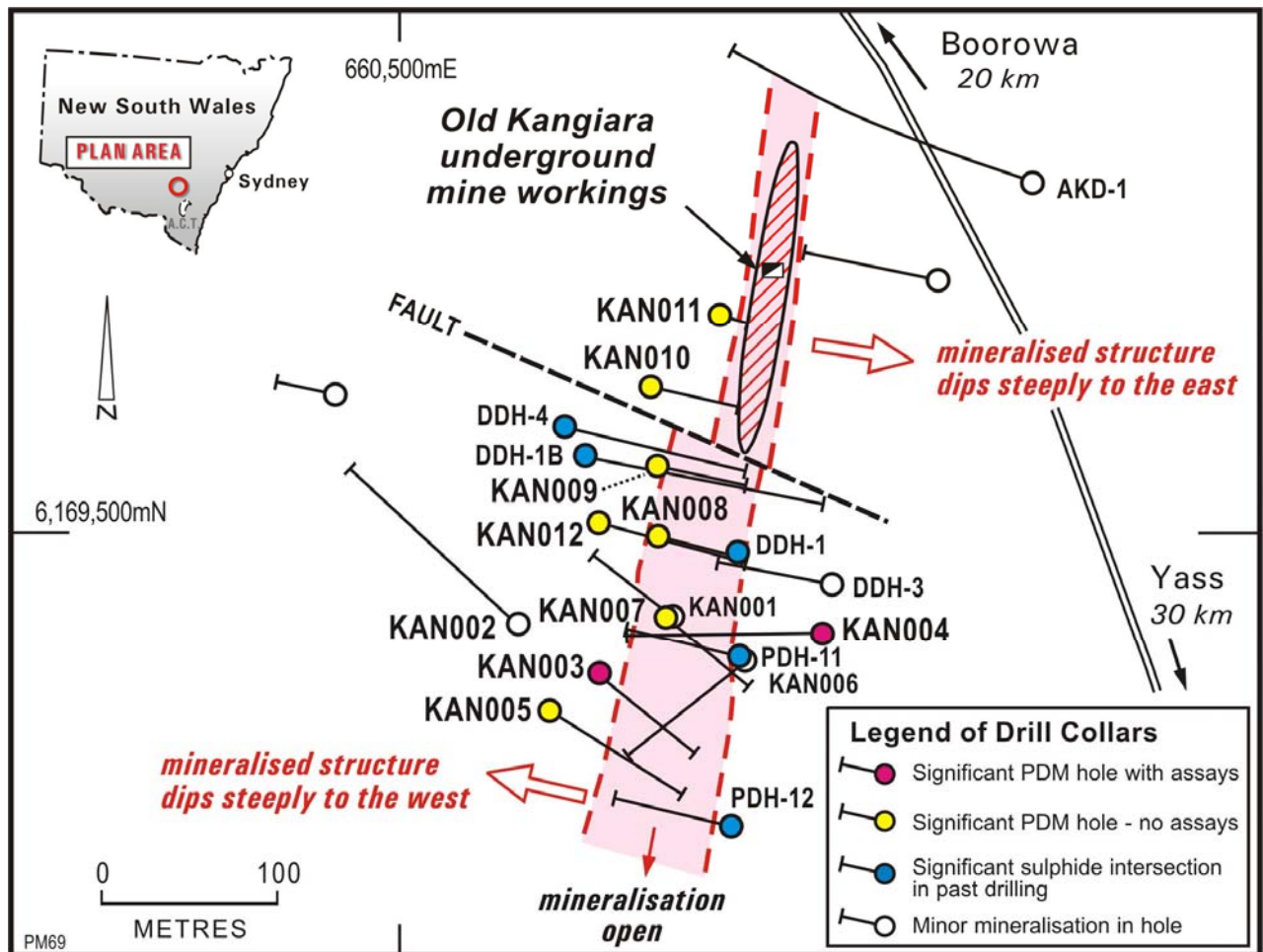


Figure 1. Map of drill holes at the Kangiara project, EL 7273, to 20 November 2009

Mineralisation at Kangiara is polymetallic in nature. Lead and zinc is prevalent at the northern and shallow end of the structure, with copper to the south and east in a deeper footwall position. Galena-sphalerite and/or chalcopyrite mineralisation occurs as veins and disseminations in a silicified quartz porphyry. Gold and silver mineralisation accompanies the base metal mineralisation. Mineralisation is believed to plunge to the south.

New drill hole intersections

Drill hole KAN004 has returned the following intersection:

- 17 metres at 0.4g/t gold, 11g/t silver, 3.1% lead + zinc from 124 metres, including;
- 5 metres at 1 g/t gold, 22 g/t silver, 6.3% lead + zinc from 126m depth;

Drill hole KAN003 (76m at 0.56g/t Au, 0.25% Cu, 10.7g/t Ag, 0.8% Pb+Zn from 84-160m depth) has now been deepened from 160m to a total depth of 202m. KAN003 contains additional chalcopyrite mineralisation from 160m to 190m – assays for this interval are awaited. The true width of the intersection from 84-190m is believed to be approximately 50 metres.

Minor mineralisation was intersected in KAN001 (8m at 0.2g/t Au, 1% Pb+Zn from 22m), which was drilled on the margin of the structure. KAN002, which was drilled beneath a geochemical anomaly 100m west of the main mineralised structure, intersected two narrow base metal intervals (1m at 4.2% Pb+Zn, 27g/t Ag from 60m; and 2m at 0.74g/t Au, 1.4% Cu, 39 g/t Ag from 174m depth).

Drill holes KAN005, 007, 008, 009, 010, 011, and 012 have each intersected significant base metal sulphides over intervals of between 15 and 80 metres down-hole. The oxide cap over the sulphide zone is thin, with sulphide mineralisation occurring as shallow as 5-10m from the surface.

Assays are awaited for KAN005 and KAN009, whilst the other 5 holes are currently being sampled.

Drilling has been stopped temporarily for a 2 week rig maintenance period.

For further details contact: Graham Carman, Managing Director: Phone: (61) 02 9955 7130

About the old Kangiara mine:

The Kangiara mine near Boorowa NSW (100km north of Canberra) produced about 500,000 oz silver, 7,000 tonnes lead, 1,000 tonnes copper and 3,000 oz gold from underground stopes during the period 1902 to 1922. The mine worked two sub-parallel north-south striking, steep east dipping sulphide veins separated by a few metres, to a maximum depth of 120m from surface. Chalcopyrite with minor sphalerite mineralisation was mined from the western vein while the eastern vein contained galena-sphalerite with minor chalcopyrite. Sulphide mineralisation in both veins was accompanied by significant gold and silver credits.

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.

About PDM: *Paradigm Metals Ltd is a gold and copper explorer / developer with its key projects located in the Lachlan Fold Belt of New South Wales and the Cloncurry region of Queensland*

Table 1. Assay results of significant sulphide drill intersections at the Kangiara project

Hole ID	Easting MGA	Northing MGA	Azimuth RL Grid	Hole Depth	Inclin-ation	From m	To m	Inter-cept m	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Company & Year
KAN001	660660	6169453	588 310	120	-60	22	30	8	0.23	4	0.08	0.22	0.80	1
KAN002	660570	6169448	587 313	200	-50	60	61	1	0.02	27	0.01	2.0	2.2	1
and KAN003	660616	6169419	589 117.5	203	-60	174	176	2	0.74	39	1.4	0.23	0.18	1
incl						84	160	76	0.56	11	0.25	0.29	0.53	
incl						130	160	30	0.86	17	0.55	0.14	0.27	
						138	146	8	1.2	32	1.2	0.11	0.19	
KAN004	660774	6169442	592 265.5	194	-60	160	190			awaiting	assays			
incl						124	141	17	0.37	11	0.06	1.7	1.5	1
						126	131	5	1.0	21	0.05	3.3	3.0	
DH-1B	660610.4	6169543	585.5 101.4	243.9	-55	73.1	79.2	6.1	0.41	16	0.05	0.77	3.5	2
DDH-1	660698	6169486	588.2 282.5	80	-45	30	70	40	0.44	8.8	0.03	0.86	1.4	2
incl						58	70	12	0.80	12	0.03	1.0	1.9	
DDH-4	660599.1	6169559	585.5 102.5	161.4	-50	143	147	4	0.27	29	0.90	1.1	2.5	2
PDH-11	660697.8	6169430	591.4 282.5	138	-60	70	110	40	0.82	8.6	0.07	0.73	1.5	2
incl						74	86	12	1.14	10	0.10	0.79	2.0	
PDH-12	660693.4	6169332	597 282.5	138	-60	78	102	24	0.01	66	0.01	0.79	0.42	2
incl						78	82	4	0.01	200	0.02	2.9	1.2	
DDH-3	660749.7	6169475	591.6 282.5	175.6	-65	133	138	5.2	0.13	29	0.33	0.46	1.2	2
AKD-1	660867.4	6169700	591 283	295.7	-50	172	174	2	1.4	54	0.55	6.4	1.1	3

Results in **bold** are significant new assays or recently recalculated assays of old drill holes.

Company and year column: 1 = RECENT PARADIGM RESULTS: 2 = Noranda results 1986 3 = Austminex results 2003

Assays: RC percussion samples were split directly from the cyclone on the drill rig. Either 1m or 2m composite samples were sent to ALS-Chemex in Orange for gold fire assay and ICP-AES analyses via an aqua regia acid digestion. Assays for Cu,Pb and Zn that exceeded 1% were reanalyzed using the prescribed method for ore-grade analyses.