



# Paradigm Metals

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ASX / Media Announcement

## New gold-silver target at Kangiara NSW

- New surface geochemical data has opened up the possibility for along-strike continuation of gold-silver-lead-zinc mineralization up to 400m from the old Kangiara mine, EL 7273 Boorowa NSW
- Three 1980s holes drilled beneath part of the surface anomaly to a vertical depth of 70m intersected strong results, including 26m at 0.82g/t gold, 10g/t silver, 3% Pb+Zn
- A drill programme to test the potential of the 400m target anomaly to 100m depth is being planned

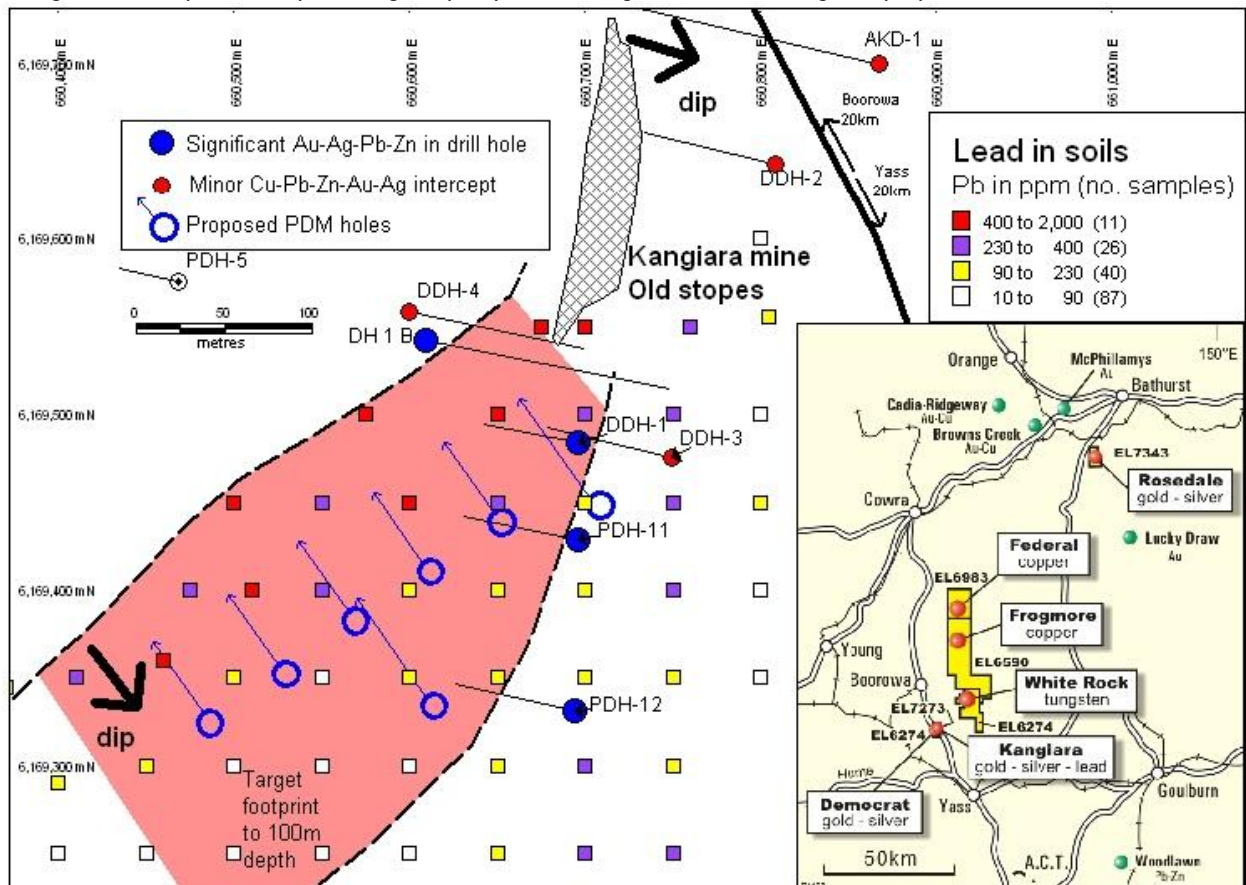
### BACKGROUND

The old Kangiara mine exploited a poly-metallic lode over a strike length of about 100m to a vertical depth of 120m mostly from 1909-1927. The old mine was small in terms of tonnes, but was high in combined ore grade (16% Pb, 280g/t Ag, 2g/t Au, 3%Cu, 5% Zn estimated in 40,000 tonnes ore mined). Drilling in the 1980s intersected gold-silver-lead-zinc mineralization south of the old mine, now believed to be a separate lode, and a high priority exploration target.

### NEW DATA

Paradigm has carried out soil sampling over a 50 by 50m grid south of the old Kangiara mine on undisturbed ground at EL 7273. These data have highlighted a 400m Pb-Ag-Au soil anomaly extending southwest of the old mine (see **Figure 1**). Three holes drilled at the northeastern end of the anomaly during the 1980s intersected mineralization (e.g. 26m at 0.8g/t Au, 10g/t Ag & 3% Pb+Zn from 70m in PDH-11, including 12m at 1.14g/tAu from 74m). A longitudinal section showing pierce points of known drill holes is presented in **Figure 2**, with all past drill results summarized in **Table 1**.

Figure 1. Interpretive map of Kangiara prospect showing drill holes existing and proposed with new Pb soil data.



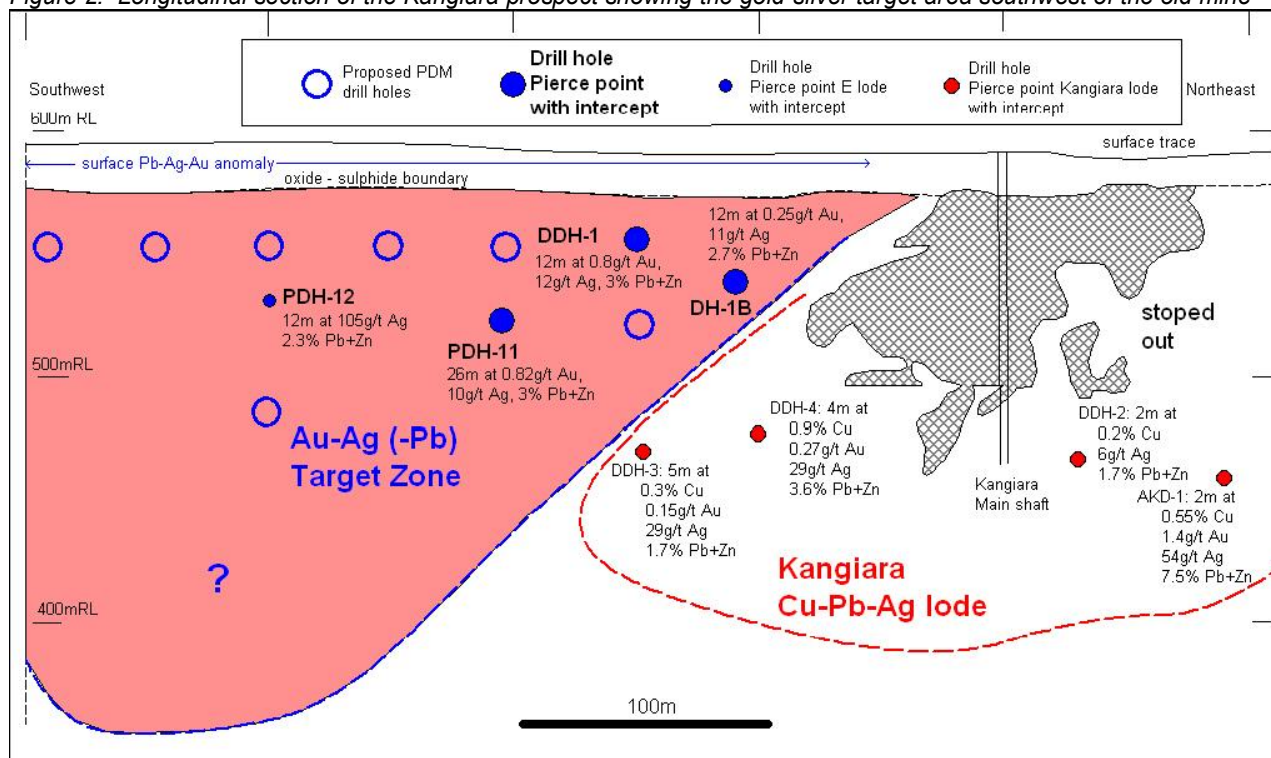
The Managing Director, Dr Graham Carman, said “The new surface data is significant because it indicates that the mineralization intercepted in drill holes south of the old Kangiara mine is associated with a different style of gold-silver-lead-zinc mineralization not exploited by the old miners.

If the trend of gold-silver-lead-zinc mineralization is different to that of the mined lode, as we believe the new data shows, some of the holes drilled during the 1980s stopped short of the anticipated mineralized position (eg PHD-12). The new surface geochemistry opens up a strike continuation of potential gold-silver-lead-zinc mineralization extending for several hundred metres southwest from the old high-grade Kangiara mine. Existing drill intersections indicate a style of mineralization different to the old underground mine containing disseminated and veined mineralization over significant widths of up to 25m, suggesting potential for large tonnages and a target for open-pit mining.”

**UPCOMING DRILLING**

The Company is planning a drill programme to test the extent of the new surface anomaly, focusing on open-pit resource potential at depths of less than 100m along the high-lighted target zone (see Figure 2). The Company will seek access agreements with landholders in the area immediately to facilitate this drilling.

Figure 2. Longitudinal section of the Kangiara prospect showing the gold-silver target area southwest of the old mine



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

**About Paradigm:** Paradigm Metals Ltd (PDM) is a gold, copper, and tungsten 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 highlights for known drill holes in the vicinity of Kangiara mine. These drill results are plotted in Figures 1 and 2.

Hole ID	Easting MGA	Northing MGA	RL	Azimuth Grid	Hole Depth	Inclin	From m	To m	Inter-cept m	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Company & Assay Year	Comment
DH-1B	660610.4	6169542.6	585.5	101.4	243.9	-55	67.1	79.1	12	0.25	11	0.03	0.50	2.20	Noranda 1986	Reassay of 1950s diamond hole
DDH-1 incl	660698.0	6169485.8	588.15	282.5	80.0	-45	30	70	40	0.44	8.8	0.03	0.86	1.41	Noranda 1986	Coordinates Austminex 2002
DDH-4	660599.1	6169558.5	585.5	102.5	161.4	-50	143	147	4	0.27	29	0.9	1.11	2.50	Noranda 1986	"
PDH-11 incl	660697.8	6169429.5	591.35	282.5	138.0	-60	70	96	26	0.82	10	0.09	0.86	2.10	Noranda 1986	"
PDH-12 incl	660693.4	6169331.7	597	282.5	138.0	-60	78	90	12	0.01	105	0.01	1.50	0.76	Noranda 1986	"
							78	82	4	0.01	200	0.02	2.90	1.20	Noranda 1986	"
							130	138	8	0.18	3.7	0.01	0.18	0.33	Noranda 1986	Stopped in mineralisation
DDH-2	660810.9	6169644.2	592.6	282.5	158.3	-60	148	150	2	0.01	6.2	0.17	0.07	1.60	Noranda 1986	Coordinates Austminex 2002
DDH-3	660749.7	6169474.6	591.55	282.5	175.6	-65	133	138	5.2	0.13	29	0.33	0.46	1.19	Noranda 1986	"
AKD-1	660867.4	6169700.2	591	283.0	295.7	-50	172	174	2	1.40	54	0.55	6.40	1.10	Austminex 2003	Austminex 2003 drill hole

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.