

Paragon Resources PLC
(“Paragon” or the “Company”)
(AIM: PAR; ISDX: PA)

**Cancellation and release of Long-term Ta₂O₅ Supply Contracts and Guarantees,
Appointment of Director,
Prospective Acquisition of African Agricultural Consulting Company, and
Cancellation of ISDX Growth Market Admission**

12 August 2013

Cancellation and release of Long-term Ta₂O₅ Supply Contracts and Guarantees

The Company is delighted to announce that the board of directors of Paragon (the “Board”) has successfully negotiated the cancellation of the Paragon Group’s (the “Group”) two long-term Ta₂O₅ Supply Contracts and obtained the release of the Company, and its subsidiary Speciality Minerals Corporation Limited, from any and all liabilities or obligations under these contracts. In accordance with the terms of these contracts, the Group’s customers have set off the amounts due to the Group, amounting to approximately \$176,000, as part of the agreement to cancel the contracts and release the Group from its obligations.

Now that these releases have been obtained and further to the redemption of the convertible redeemable preference shares through the issue of new ordinary shares in the Company on 8 August 2012, the Board believes it can now move forward quickly with its investing policy focussed on the agriculture sector in Africa and Asia (the “Investing Policy”). Full details of the Investing Policy can be found on the Company’s website.

Appointment of Director

Further to the announcements of 15 May and 21 June 2013, Andrew Beveridge has today been appointed to the Board, initially as a Non-Executive Director. Andrew is a very experienced agribusiness professional with a career embracing both the management and investment aspects of international agriculture. He followed studies in agricultural science and management at the Royal Agricultural College with an MBA at Warwick University and joined leading international agri business group Harrisons and Crosfield. He later joined CDC Group PLC (formerly the Commonwealth Development Corporation) and was involved with new investment and agribusiness management in Africa and the Far East ranging from start-ups to privatisations and turnarounds of underperforming companies. He has also provided African agricultural consultancy services, through Greenstar (refer below), across a wide range of projects and crops. More recently he started a large African oil palm plantation and processing company, was responsible for raising over \$20m through a private placement in the international market, was its first CEO and is now a shareholder and an advisor to that business.

Prospective Acquisition of African Agricultural Consulting Company

The Board is also pleased to confirm that it is involved in initial discussions to acquire its first investment under the Investing Policy. The Company is looking to acquire the Greenstar business (“Greenstar”), which was established in 2002 by Andrew Beveridge to provide consultancy, project management and inward investment advisory services to large-scale commercial agricultural projects in Africa. Building on Andrew’s significant expertise in the sector, Greenstar has been involved in advising on numerous projects in Africa since inception. In addition to Andrew himself, Greenstar has around 100 consultants on its books

through which it is able to both source and review new projects and build specialist project teams with the necessary expertise for particular assignments.

With the acquisition of Greenstar and the appointment of Andrew Beveridge to the Board, Paragon creates an in-house technical and management capability, including

- country and agribusiness sector knowledge, particularly across Africa;
- intelligence concerning investment opportunities;
- ability to undertake thorough agronomic, management, process, marketing and financial due diligence;
- extensive agribusiness operational management experience to assist investee companies; and
- in-depth understanding of the social and environmental requirements of today's agribusiness sector.

Paragon is already assessing potential investment opportunities with Greenstar. Paragon expects to utilise the expertise and relationships of Greenstar's consultants in connection with agricultural projects that Paragon may invest in or acquire, as it looks to build a first class portfolio of agricultural assets. The Board believes this expertise will provide Paragon with a significant competitive advantage as the portfolio of investments develop.

Greenstar is owned by Greenstar Associates LLP, the members of which are Andrew Beveridge, members of his family and Simon Hunt, also a Director of Paragon. Any acquisition of Greenstar will constitute a Related Party Transaction under the AIM Rules for Companies. If the transaction is completed, it is anticipated that Andrew Beveridge would assume the role of Chief Executive of Paragon.

Cancellation of ISDX Growth Market Admission

Following the redemption of all the Company's convertible redeemable £1 preference shares, as announced on 8 August 2013, through the issue of new ordinary shares of 0.05p ("Ordinary Shares") and deferred 0.05p shares, the Company announces its intention to cancel the admission to trading of its Ordinary Shares on the ISDX Growth Market with effect from 10 September 2013. The Company's Ordinary Shares will continue to trade on the AIM Market of the London Stock Exchange.

For further information, please contact:

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Information Required Under Schedule 2 of the AIM Rules for Companies

Name – Andrew Robert Beveridge

Age – 59

Current Directorships

Greenstar Resources Limited
Pan-African Agribusiness Limited
Greenstar Associates LLP

Directorships held in past five years

Goldtree Holdings Limited
Goldtree (SL) Limited

No other disclosures are required under Schedule 2 of the AIM Rules for Companies.
Andrew Robert Beveridge holds no interest in the ordinary share capital of Paragon