

30 October 2013

**Paragon Resources PLC
("Paragon" or the "Company")
(AIM: PAR)**

**Investment in Greenstar Resources,
Appointment of Chief Executive Officer,
Issue of Equity, Total Voting Rights and The Takeover Code**

Investment in Greenstar

Paragon, the AIM-listed agricultural investing company (AIM: PAR), is pleased to announce that, further to the announcement on 12 August 2013, it has today signed the sale and purchase agreement to acquire a 40% shareholding in Greenstar Resources Limited ("Greenstar") as a first step in building a significant interest and capability in African agricultural businesses (the "Acquisition").

The consideration for the Acquisition will be £103,377 (based on the closing mid-market price of Paragon's ordinary shares of 0.005p each ("Ordinary Shares") on 25 October 2013) and will be satisfied through the issue of 41,688,426 new Ordinary Shares and the payment of £20,000 in cash to Greenstar Associates LLP, the current owner of Greenstar.

Greenstar brings a wide reputation and long track record to Paragon of agricultural consultancy, operational and project management and inward investment advisory services to large-scale commercial agricultural projects in Africa. As has already been evidenced to the Board of Directors of Paragon (the "Board"), it also importantly brings access to significant deal flow.

Over the last two months, Greenstar has introduced to Paragon four separate opportunities which it is currently actively working on in pursuit of its investing strategy. These include projects focused on palm, cocoa, rubber, rice and other more rapid cash producing crops. The Board is hopeful of being able to move forward with at least one of these opportunities as a long term, strategic opportunity in the foreseeable future.

Greenstar is owned by Greenstar Associates LLP, the members of which are Andrew Beveridge, members of his family and Simon Hunt. The acquisition of Greenstar constitutes a related party transaction under the AIM Rules, as both Mr Hunt and Mr Beveridge are directors of Paragon. The Board (other than Mr Hunt and Mr Beveridge, who are not considered independent) consider, having consulted with Allenby Capital Limited, the Company's nominated adviser, that the terms of the acquisition of a 40% interest in Greenstar are fair and reasonable insofar as Shareholders are concerned.

It is the intention of the Board to seek to increase the Company's shareholding in Greenstar in the future, if appropriate, and further announcements will be made accordingly. Any decision to increase the Company's shareholding will exclude Mr Hunt and Mr Beveridge.

Greenstar Associates LLP has entered into a "lock In" agreement with the Company under which it has agreed not to sell any of its 41,688,426 Ordinary Shares for at least 12 months, and with orderly market restrictions for a further 24 months.

Appointment of Chief Executive Officer

As part of the Acquisition, we are pleased to announce that Andrew Beveridge has been appointed Chief Executive Officer of Paragon, to bring his significant background and track record in the African agricultural sector to the Company.

As previously announced, Andrew brings over 30 years' experience in agribusiness in Africa, South East Asia and the Pacific region, and particularly in the sectors where Paragon has chosen to focus, 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 agribusiness 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.

Andrew's most recent role has been in running the large African oil palm plantation and processing company he started and where he was its first CEO and is now a shareholder and an advisor.

Simon Hunt, Executive Chairman of Paragon, said "I am delighted that Andrew Beveridge has agreed to become CEO of Paragon thereby giving the Company top class, African agricultural management expertise. I am confident that the projects we are currently looking at with Andrew and Greenstar could form the basis of a significantly valuable operation. To achieve success in this sector, it is crucial to have close relationships with both agricultural operators and experts. This acquisition brings both and will allow Paragon to move forward quickly."

Andrew Beveridge, Chief Executive Officer, said "I am pleased to take on this role and am certain that my long background and connections in African agriculture will help us take Paragon forward rapidly to implement the stated policy. These are exciting times for emerging market agribusiness and I look forward to seeing Paragon develop into a prominent player in the sector."

Issue of Equity

In addition to the 41,688,426 new Ordinary shares being issued as part of the Acquisition, the Company has also issued 4,761,905 Ordinary Shares at 0.21p per share (being the average closing mid-market price for the ten trading days up to and including 25 October 2013) in settlement of certain professional fees .

Application will be made to the London Stock Exchange for these 46,450,331 new Ordinary Shares to be admitted to trading on AIM and it is expected that the admission will become effective and trading in these shares will commence on 4 November 2013 ("Admission").

Total Voting Rights

Following Admission, the Company's enlarged issued share capital will comprise of 425,675,097 Ordinary Shares. This figure of 425,675,097 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the Disclosure and Transparency Rules of the Financial Conduct Authority.

Director Shareholdings

Following the issue of the 46,450,331 new Ordinary Shares, the Directors of the Company will have the following interests in Ordinary Shares:

Director	No. of Ordinary Shares	% of enlarged share capital on Admission
Andrew Beveridge*	41,688,426	9.79%
Simon Hunt*	41,688,426	9.79%
Daniel Cassiano-Silva	18,754	0.00%

* Mr Beveridge and Mr Hunt are both members of Greenstar Associates LLP which holds 41,688,426 Ordinary Shares.

Application of the City Code on Takeovers and Mergers

Following changes to the City Code on Takeovers and Mergers in the United Kingdom (the "Takeover Code") that came into effect on 30 September 2013, Paragon is now a company that is subject to the Takeover Code.

ENDS

For further information, please contact:

Paragon Resources PLC Simon Hunt (Chairman) +44 (0)7733 337 755 www.paragon-resources.com	Allenby Capital Limited (Nominated Adviser and Broker) Nick Harriss/Jeremy Porter/James Reeve +44 (0)20 3328 5656 www.allenbycapital.com
--	---