

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

Issue of Equity

3 March 2014

Paragon has raised £12,000 via a draw down on its Equity Financing Facility ("EFF") with Darwin Strategic Limited ("Darwin").

Under the terms of the EFF agreement the Company raised gross proceeds £12,000 by way of the issue of 4,124,184 ordinary shares of 0.05p each in the capital of the Company ("Ordinary Shares") to Darwin (the "EFF Shares"). The EFF Shares have been issued at a gross price of 0.2910p per Ordinary Share and rank pari passu in all respects with the existing Ordinary Shares.

In addition, 51,425 Ordinary Shares have been issued to certain former directors of the Company in settlement of historic obligations (the "New Shares"). The New Shares have been issued in settlement of historic fees from 2011, totalling US\$13,000, and calculated using the prevailing prices in 2011, averaging US\$0.25 per share. The amounts concerned have previously been disclosed in the Company's annual report and accounts.

Application will be made to the London Stock Exchange for the EFF Shares and the New Shares to be admitted to trading on AIM. It is expected that the admission will become effective and that trading in the new Shares will commence on 6 March 2014 ("Admission").

Following Admission, the Company's enlarged issued share capital will comprise of 449,850,706 Ordinary Shares. This figure of 449,850,706 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 FCA's Disclosure and Transparency Rules.

Following Admission, the Company will have the following Significant Shareholders:

Significant Shareholders	Ordinary Shares Held	% of Total Ordinary Shares in Issue
Lynchwood Nominees Limited	79,437,859	17.66%
Greenstar Associates LLP	41,688,426	9.27%
Vidacos Nominees Limited	19,859,465	4.41%
Marek Stefan Gumienny	19,859,465	4.41%
Thomas Allan	15,962,380	3.55%
Aurora Nominees Limited	15,887,237	3.53%
Ryan Rooney	14,562,093	3.24%
Smith & Williamson Nominees Limited	14,497,041	3.22%

The following Directors also have the following interests:

Directors' Shareholdings	Ordinary Shares Held	% of Total Ordinary Shares in Issue
Andrew Beveridge*	45,844,213	10.19%
Simon Hunt*	41,688,426	9.27%
Dan Cassiano-Silva	18,754	0.00%

* Includes 41,688,426 ordinary shares held by Greenstar Associates LLP of which Simon Hunt and Andrew Beveridge are members.

ENDS

For further information, please contact:

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