

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

Issue of Equity & Company Update

19 March 2014

Issue of Equity

Paragon has raised £45,000 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 £45,000 by way of the issue of 25,000,000 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 0.18p per Ordinary Share and rank pari passu in all respects with the existing Ordinary Shares.

Application will be made to the London Stock Exchange for the EFF 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 24 March 2014 ("Admission").

Following Admission, the Company's enlarged issued share capital will comprise of 474,850,706 Ordinary Shares. This figure of 474,850,706 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	16.73%
Greenstar Associates LLP	41,688,426	8.78%
Vidacos Nominees Limited	19,859,465	4.18%
Marek Stefan Gumienny	19,859,465	4.18%
Thomas Allan	15,962,380	3.36%
Aurora Nominees Limited	15,887,237	3.35%
Ryan Rooney	14,562,093	3.07%
Smith & Williamson Nominees Limited	14,497,041	3.05%

The following Directors also have the following interests:

Directors' Shareholdings	Ordinary Shares Held	% of Total Ordinary Shares in Issue
Andrew Beveridge*	45,844,213	9.65%
Simon Hunt*	41,688,426	8.78%
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.

Company Update

Further to the announcement of 15 May 2013, and following the Company becoming an Investing Company (as defined in the AIM Rules for Companies (the "AIM Rules")) on 25 March 2013, if the Company has not made an acquisition, or acquisitions, which constitute a reverse takeover under the AIM Rules or otherwise to implement its Investing Policy to the satisfaction of AIM, by 25 March 2014, then the Company's Ordinary Shares will be suspended from trading on AIM with effect from 26 March 2014 ("Suspension"). If the Company's Investing Policy has not been implemented within 6 months of Suspension, then admission of the Company's Ordinary Shares to trading on AIM will be cancelled.

Further to the announcement of 3 February 2014, the Board of Paragon remains in active negotiation and is undertaking due diligence on certain proposals for the implementation of its Investing Policy, and further announcements will be made at the appropriate time. The Board remains committed to developing a substantial agribusiness group, focussed on Africa, through a process of both acquisition and organic growth.

ENDS

For further information, please contact:

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