

**Paragon Resources plc
("Paragon" or the "Company")**

Company Update

As a private company, the Company is currently not under the same obligations to release news or company updates as a listed company. However, this brief update is to explain where the Company is in relation to its plans regarding the acquisition of the Ambato project in Madagascar (the 'Ambato Project') and the re-listing of its ordinary shares on the AIM market of the London Stock Exchange ('AIM').

The acquisition of the Ambato Project is dependent on the Company raising additional new funding, The Company received binding commitments for £2.0m in August 2015 and had completed all the necessary documentation for the planned return of the Company to AIM, which was proposed for 28 August 2015. Due to factors outside of the Company's control, approximately £1.5m of the committed funding has been delayed. The Company has therefore deferred the re-listing to give time to bring in this element of the funding. Once the funding is received, the Company will complete the acquisition of the Ambato project and revisit its listing plans.

The Board would like to reiterate that all communication with Shareholders will be through fully approved announcements and Shareholder documentation and/or Shareholder meetings in accordance with its social media policy. This is required to ensure that all Shareholders are provided with the same information, and therefore no direct contact to the Company whether by telephone, text or email will be responded to.