

30 January 2015

December 2014 Quarterly Report

GUNUNG ROSA HIGH GRADE GOLD, SILVER AND BASE METAL PROJECT WEST JAVA PROVINCE, INDONESIA



Map 1: The Gunung Rosa IUP is located in Indonesia's West Java Province, approximately 120km south of Jakarta

Mining tenements held as at 31 December 2014

Project	Tenement	Country/Province	Status	Interest
Gunung Rosa	503/Tmb.839/DPSDA.P	Indonesia/West Java	Granted	72.25%

CORPORATE ACTIVITIES

The Company held its Annual General Meeting ("AGM") in December 2014 with all resolutions passed by show of hands and by proxy. Details of the AGM results may be found at www.paramountmining.com

For further information please contact:

Paramount Mining Corporation Ltd

ABN 73 102 426 175 | 100 Parry Street | Perth WA 6000 | Tel +61 (08) 9328 5600 | Fax +61 (08) 9328 4430

Email: info@paramountmining.com | www.paramountmining.com

Mo Munshi
Chairman
+86 139 1017 5192

Daniel Poller
CEO and Managing Director
+62 8151 1102 180

About Paramount: Paramount is an ASX-listed mining company focussing on precious and base metal deposits in Asia, and in particular Indonesia. The Gunung Rosa project is a high-grade gold, silver and base metals sulphide mine 125km south of Jakarta in West Java which has the potential to be a low cost operation. The project is the flagship project for Paramount and the Company presently holds a controlling 72.25% equity interest with rights of first refusal on the remaining shareholding.

The project has a 20 year Mining Permit (Operation/Production IUP), which was issued in 2010 and has from late 2012 been under Paramount management at the operating level. It is presently in the pre-development phase with a drilling program imminent, which is designed to upgrade JORC Resources from Inferred to Indicated, and with gold production expected within 18 months of the construction start.

This poly-metallic mineralisation, trending N-S, is known to extend under soil cover from surface to 240m depth, as a sub-vertical, on average 2.26m wide, mesothermal vein with a drilled strike of approximately 900m with geological evidence of some 2.5km of strike; it remains geologically open to the north, south and to depth beyond the present limit of drilling.

The project was extensively developed underground on the 900m of strike, following a positive Definitive Feasibility Study in the early 1990s, by sinking a mining decline, vertical shafts and development drives on four levels up until the Asian Financial Crisis whereupon it was curtailed due to the lack of availability of debt financing. The project has not advanced since that time despite the significant increase in the value of gold in real terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Paramount Mining Corporation Limited

ABN

73 102 426 175

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(77)	(204)
	(b) development		
	(c) production		
	(d) administration	(73)	(196)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(150)	(400)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(150)	(400)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(150)	(400)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	160	420
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	160	420
	Net increase (decrease) in cash held	10	20
1.20	Cash at beginning of quarter/year to date	13	3
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	23	23

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	30
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,800	1,393
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	80
4.2 Development	-
4.3 Production	-
4.4 Administration	70
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	23	13
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Loan facilities available	407	98
Total: cash at end of quarter (item 1.22)	430	111

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

6.2	Interests in mining tenements and petroleum acquired or increased				
-----	---	--	--	--	--

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	*Ordinary securities	607,976,605	607,976,605	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	48,036,897	48,036,897		
7.5	*Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Performance Rights (description and conversion factor)	Number 1,000,000 6,250,000 1,000,000 7,500,000 7,500,000 7,500,000	Quoted -	Performance Hurdle Mkt Cap\$60,000,000 Mkt Cap \$70,000,000 Mkt Cap \$90,000,000 JORC Resource Report Bankable Feasibility Study Commencement of Ore Prodn	Expiry date 31 March 2015 30 June 2015 31 March 2016 31 December 2015 31 December 2016 30 June 2016

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.8	Issued during quarter	<i>Performance Rights</i> 22,500,000	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	<i>Unlisted options</i> 2,000,000 <i>Performance Rights</i> 7,250,000	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
2. This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date: 30 January 2015

Print name: ...GARRY TAYLOR.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.