



QUARTERLY ACTIVITIES REPORT

for the quarter ending 30th September 2015

CANINDE GRAPHITE PROJECT

During the quarter the Company had planned a ground geophysics survey to identify the extensions of graphite mineralisation at depth and along strike which would assist define subsequent drilling programmes. The Company was waiting on the results of metallurgical test work before commencing this geophysics survey.

Subsequent to the quarter end the Company received metallurgical results from the Pedra Preta target (ASX release 26 October 2015). As reported these results confirmed high grade Cg (graphitic carbon) content and significant recoveries of Cg (graphitic carbon) from the bulk sample submitted however the reported flake size was predominately less than 150 μ (microns) which is below our target size of 180 μ (microns) for a large flake product.

Unfortunately these results indicate a low probability of achieving a high value large flake product at the Pedra Preta target and the Company has suspended further exploration.

Whilst the Canindé Graphite Project is highly prospective and covers a large area with multiple high grade prospects the current difficult capital market conditions preclude the Company from continuing exploration on further targets.

The Company is negotiating with the vendor to terminate the agreement to acquire the Project and will not incur further exploration or acquisition obligations in respect to the Project.

THE LADIES COPPER PROJECT (PDM 100%)

There was no field exploration conducted at the Ladies during the quarter.

The Company is in discussions with several parties interested in the future development of this project.

FROGMORE (PDM 100%)

The Company elected to relinquish EL 6590 during the quarter and as such has no further interest in the tenement. All final reporting was completed during the quarter and the Company is awaiting the return of its \$20,000 cash environmental bond.



FOUR MILE TANK (PDM 100%)

No work was carried out on EPM 18294 during the current quarter.

CORPORATE

As announced in the previous quarter, the Company and its lead manager Lodge Corporate were looking at options to place the shortfall pursuant to the Capital Raising which closed on 15 June 2015. In extremely difficult market conditions the Company was unable to place this shortfall within the required three month period from the closing date.

The Company continues to appraise new projects and capital raising opportunities both within Australia and overseas.

At a Shareholders Meeting on 14 July 2015, Shareholders ratified the prior issue of 168,333,330 shares and 220,000,000 options in accordance with the Notice of Meeting Explanatory Statement.

The Company looks forward to updating investors on new developments in the near future.

Yours sincerely,

Anthony Reilly
Chief Executive Officer
30 October 2015

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed by Mr Paulo Brito. Mr Brito is a consulting geologist for Paradigm Metals Limited and is a member of AusIMM-The Minerals Institute, as well as a member of Australian Institute of Geoscientists.

Mr Brito has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brito consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

APPENDIX 1 – TENEMENT TABLE

Australia

Tenement	Project	Holder	Interest at beginning of quarter	Interest at end of quarter	Location
EL 6590	Frogmore	Tungsten NSW Pty Ltd	100%	-%	Central NSW
EPM 18294	Four Mile Tank	Paradigm Queensland Pty Ltd	100%	100%	Queensland
EPM 19016	The Ladies	Paradigm Queensland Pty Ltd	100%	100%	Queensland
EPM25366	The Ladies	Paradigm Queensland Pty Ltd	100%	100%	Queensland

Brazil

Tenement	Project	Holder	Interest at beginning of quarter	Interest at end of quarter
800.011/11, 800.012/11, 800.013/11, 800.014/11, 800.015/11, 800.016/11, 800.017/11, 800.018/11, 800.019/11, 801.063/10, 801.064/10, 800.018/12, 800.019/12, 800.662/11, 800.663/11, 800.294/12, 800.295/12	Caninde	Paradigm Metals Ltd (earning into 80% ownership)	- ¹	- ¹

Note:

1) The Company's 51% equity interest in the Caninde Project is subject to the Company making future staged acquisition payments and exploration expenditure obligations as announced in ASX release 4th November 2014.

APPENDIX 2 – SUMMARY OF PROJECT EXPENDITURE

Project	Quarter Cash Spend \$A'000
Frogmore	-
Four Mile Tank	2
The Ladies	1
Caninde (Brazil)	33
Total	36