Para Provides a Corporate Update

written by Raj Shah | October 30, 2018

September 6, 2018 (Source) – Para Resources Inc. (TSXV: PBR) (FSE: 8PR) (OTC Pink: PRSRF) (the "Company" or "Para") is pleased to provide the following updates to the current operations:

El Limon Mine, Zaragoza, Colombia

- The rehabilitation and construction of the upgraded El Limon Mill was completed in March 2018
- The commissioning of the mill has now been completed with maximum throughput at 240 TPD and recoveries at 87.5%
- The installation is underway for a new hoist and skip, including upgrade of the incline for the underground mine at El Limon
- The new tailing pond is being upgraded with a pipeline and reclaim water to be re-used as process water
- Underground mining has resumed with daily production at 45 TPD expected to be ramped up to 70 TPD with the completion of the hoist upgrade and new face development.
- Exploration plan to include drilling has commenced with the goal of improving grade and to identify future underground production faces
- Formalization contracts have been approved by the Government for 3 small miners on our property and applications have been made for an additional 6 small mines.
- Assays of the initial shipments of material received from the small miners has indicated a range of 8 – 15 gpt of gold.

- Ramping up deliveries of feed material is management's priority with a goal of processing 200 TPD by year-end.
- During the ramp-up period, through-put has been low due to renovations underground and a slow start to deliveries from small miners as they improve their infrastructure.
- Average throughput has been 35.8 TPD between June and August with the majority of the feed coming from El Limon
- Small miner deliveries are expected to increase to 125 TPD by year-end and material mined from El Limon to increase to 70 TPD now that the new hoist is in place.
- Gold production was 148.7 ounces in June with average throughput of 26.4 TPD, in July production was 147.7 ounces with average throughput of 33.8 TPD and August production was 125.4 ounces with throughput of 42.7 TPD.
- Cash flow break even at $1200 gold is between 260 and 300 ounces per month that is expected to be attained once small miner deliveries ramp up in the coming months.

Ian Harris, Para's President states, "With the satisfaction of the performance criteria of the El Limon plant, we are concentrating on increasing the feed to the mill. We believe break-even cash flow will be achieved with only production from El Limon. Increasing deliveries from the formalized small miners on our concession package will be accretive creating a solid base from which to increase profitability."

Gold Road Mine, Oatman Arizona

- Para closed a USD $14.45 million financing for Gold Road at the beginning of August 2018
- The use of proceeds:
    - US $5.1 million to retire the secured vendor's note (from the original purchase of Gold Road)
    - US $5.7 million to re-start the mine and mill as per the 43-101 PEA

    - US $650,000 in deal costs and fees
    - US $3 million in working capital
- In June, RFP's were sent out to qualified contract miners and proposals were received from 5 bidders on August 15th, 2018
- A short list of the 3 top bidders has been selected and negotiations to finalize contracts are underway
- Contracts are expected to be signed and in place by the end of September
- Mobilization will take 30 – 60 days
- Production is expected to commence in Q4 2018 at 250 TPD, ramping up to 500 TPD by the end of Q2 2019
- We have hired Kenneth Kins, a mining engineer with extensive experience mining narrow-vein, high grade narrow-vein high-grade veins underground, as General Manager of Gold Road Mine. Mr. Kins has management, operations and engineering experience, including 8 years as Mine Manager of Coeur Mining's Kensington Mine in Alaska. He is working with the existing team to build out the production, technical and management team.
- Long-lead capital items and first fills have been ordered

Mr. Harris, further states, "We are very pleased to have been able to attract a top tier mining executive in Ken Kins as General Manager of the Gold Road Mine. The addition of Ken positions Para with a proven, accomplished and experienced leader and mine manager. Ken is building his team from the ample pool of talented and experienced mining professionals in the Oatman District. We are assessing multiple proposals for contract mining that are consistent with the economics presented in our PEA. We have a well-defined schedule to restart the Gold Road mine and to begin the exploration and development of the historically prolific Oatman gold district."

Paulo J. Andrade, BSc Senior Geologist, VP Exploration for Para

Resources is the Qualified Person, who is responsible for the technical information contained in this news release.

ABOUT PARA RESOURCES:

Para is a junior producing gold mining company. Para owns approximately 80% of the El Limon project in Colombia, which, in addition to its current underground operation, is purchasing mineralized rock mined by small artisanal miners working on the Company's property. The El Limon and OTU properties also have exploration and development upside. The Company also owns 88% of the Gold Road Mine in the Oatman District of Arizona. RPM Global recently produced a NI 43-101 Technical Report and PEA, establishing a Mineral Resource estimate and a good economic outlook for the Gold Road Mine. Production at Gold Road is expected to commence in Q4 2018. Para will continue to take advantage of current market conditions to acquire and develop additional highly economic, near-term production assets that have strong exploration and development upside.

Cautionary Notes:

This press release contains forward-looking information under Canadian securities legislation. Forward-looking information. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All information contained in this news release, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that

may cause the actual results, level of activity, performance or achievements of Para to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in Para's public disclosure documents filed on SEDAR from time to time. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Para has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Para does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Para's Readers should also review the risks and uncertainties sections of Para's annual and interim MD&As.

On behalf of the Board of Directors

"C. Geoffrey Hampson"
C. Geoffrey Hampson, Chairman, Chief Executive Officer and Director

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.