Para Resources Announces Government Approval of First Formalization Agreements for Small Miners in Zara Concessions

written by Raj Shah | May 31, 2018

May 31, 2018 (Source) – Para Resources Inc. (TSXV: PBR) (WKN: A14YF1) (OTC Pink: PRSRF) (the "Company" or "Para") is pleased to announce that three formalization agreements have been approved by the government of Antioquia in Colombia, paving the way for the implementation of legal and responsible small-scale mining operations on the company held Zara concessions. Of the three contracts, two for underground operations including the Alacran and Diamantina mines. Production from the mines will be sent, starting immediately, to the the Company's El Limon plant. The third contract is for alluvial mining and carries a 10% NSR royalty. These formalization agreements were executed under Law 1658 of July 15, 2013 and will be regulated by Decree 480 of March 6, 2014, which importantly places all legal responsibilities on the individual small-scale mining operations.

Geoff Hampson, Para's CEO states, "We are very pleased that a long waited for major milestone has been crossed with the approval of the formalization agreements between Para and some of the informal miners on the Zara Concessions. The agreements

not only represent a source of feed to the El Limon Plant but support Colombia's push to eradicate the use of mercury in gold processing, and bring small miners into the formal economy. These contracts represent the first of what we expect to be over 20 such contracts."

Ian Harris, Para's President states, "With the completion of the rehabilitation and expansion of the El Limon Plant, the sourcing of third party material combined with the production of the El Limon mine is one of the final steps in bringing the project into commercial production. It also provides a proven roadmap to supplying material to El Limon from the additional 15 to 20 mines on the Zara Concessions that have shown interest or are already in the formalization process. Long term we are excited about accessing these areas with modern exploration under a program that is beneficial for Para, the local community, environment, and Colombia."

Qualified Persons

Paulo J. Andrade, BSc Senior Geologist, vice-president for Para Resources is considered by TSX and ASX a Competent Person according to CIM (NI-43-101) and JORC standards as a member of the Australian Institute of Geoscientists (MAIG # 6136), who is responsible for the geological disclosure 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. In May

2018, RPMGlobal, the Company's consultant, published a NI 43-101 PEA on Gold Road establishing a Mineral Resource estimate of 213,000 ounces of gold and a pre-tax NPV of $104 million. Mining is expected to re-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 the annual information form of Para and in its public 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"

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

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