

Para Resources Announces Letter of Intent to Purchase 17,000 Ha of Mineral Rights Surrounding EL Limon Mine

05.05.2016 | [ACCESS Newswire](#)

Mineral rights provides El Limon with sufficient feed material to exceed 200 TPD mill capacity; Para also announces the appointment of Mr. Glenn Walsh as Director of the Company

VANCOUVER, May 5, 2016 - [Para Resources Inc.](#) (the "Company" or "Para") (TSXV: PBR) (WKN: A14YF1) is pleased to announce it has entered into a letter of intent by which Para would acquire, directly or through a Colombia company controlled by Para, an undivided 100% interest in all of the mineral concessions owned by Otu Gold, Ltd. ("Otu Gold") consisting of approximately 17,000 hectares located in the Segovia Gold Belt of Northeast Colombia that are located North of 1300000 N including any mining concessions, registered contracts with processing plants and drilling permits already in place.

Subject to the terms and conditions the letter of intent, Para will acquire an undivided 100% interest in and to the Property in consideration of the purchase price of \$1,000,000 USD, payable by Para as follows:

- (a) \$500,000 USD on closing of the Transaction;
- (b) \$250,000 USD pursuant to a promissory note payable on the date that is one year from the closing date of the Transaction;
- (c) \$250,000 USD payable by the issuance to Otu Gold of that number of common shares of Para calculated based on the average weighted trading price of Para's shares for the five trading days immediately before the Closing Date.

In addition, as part of the Transaction, Otu will cause the assignment and transfer to Para directly, or through a Colombia company controlled by Para, all of the rights, interests and obligations of Minerales Otu S.A.S. in the contracts with Equilibria Colombia S.A.S. covering the Alacrán, Delirios and Diamantina claims.

Para will also grant to Otu Gold a 2% net smelter royalty from the sale of minerals produced from the Property. Para may, at its discretion at any time for a period of five years from the closing date, reduce the NSR from 2% to 1% for consideration of \$1 million USD payable to Otu Gold as to \$750,000 USD in cash and \$250,000 by the issuance of that number of common shares of Para calculated based on the average weighted trading price of Para's shares for the five trading days immediately before the closing date of the reduction of the NSR.

<https://www.accesswire.com/uploads/5CCpkJPvDLedited5.jpg>

Geoff Hampson, CEO of Para Resources, commented:

"The acquisition of these mineral rights, which includes three small scale operating mines, will provide Para with additional sources of feed material that we were previously going to process on a "toll milling" basis. Owning these rights will decrease the cost of the additional feed material which the Company would have had to acquire from the local miners, increasing the net profit per ounce of gold Para will produce from this rock. Once the El Limon is fully operational and all of the necessary permits are issued, the payback of the cost of acquiring the mineral rights will be very quick. In addition, there are many small historical mines on these properties, giving Para a number of high value exploration targets that will allow the Company to justifying increasing capacity at El Limon over the long term."

Para also announces that on April 29th, 2016, Dr. Luiz Augusto Bizzi, P.Eng resigned as a Director of the Company. At a meeting of the Board of Directors, Mr. Glenn Walsh, the President of Conex Services Inc, the largest shareholder of Para, was appointed as a Director to fill the vacancy. The Company thanks Dr. Bizzi for his years of service to the shareholders of Para and wishes him success in all future endeavors.

About El Limon

The El Limon property is located in the northwest part of Colombia near the town of Zaragoza, Antioquia, Colombia and is accessible via both paved highways and gravel roads. The Mine is situated in the wide Zaragoza Gold District which extends from El Bagre until Remedios towns considering the historical alluvium mining and the primary gold underground mines. The El Limon claims cover a total area of approximately 321 hectares, including 129.6 hectares in RPP No. 12011 and 191.1 hectares in the concession contract No. 620 which is located west of the currently exploited zone.

Typical production grades of the region range from 8-12 g/t Au diluted. However, higher grade mines do exist, such as Quintana and El Limon mines at 8-29 g/t Au diluted. Vein widths are typically below 1 m although both the hanging wall and the footwall zones can contain appreciable economic mineralization within the high-grade cores.

The highest grades obtained by Para Resources, during mining operations, were in a channel sample of 2.00 m in width over a quartz vein with abundant sulphides and 65.33 gpt Au, also containing 0.3 meters at 428.42 gpt Au.

The El Limon mine is currently operating underground on Level 7 where the head grade continues to be high at approximately 8 gpt Au. The vein system is open at depth but constrained at both ends by faults. Management believes the property offers multiple exploration targets that could significantly increase the life of the mine. It is management's intention to utilize some of the cash generated from mining, to drill the property to expand the number of targeted areas for mining.

Mr. Paulo J. Andrade, a Member of the Australian Institute of Geoscientists (MAIG #6136), Senior Geologist, VP and Country Manager for Para Resources, Inc., a CP/QP under NI-43-101, has reviewed and approved the scientific and technical information in this press release.

ABOUT PARA RESOURCES:

[Para Resources](#) is an exploration stage gold mining and toll milling company. Para is earning an interest in the El Limon project, in Colombia, with toll milling opportunities, and exploration and development upside. In addition the Company is gearing up to commence trial mining operations at its Tucuma Project and in particular on the Angelim prospect in Para State, Brazil. Para Resources 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.

ON BEHALF OF THE BOARD OF DIRECTORS

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

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/229847--Para-Resources-Announces-Letter-of-Intent-to-Purchase-17000-Ha-of-Mineral-Rights-Surrounding-EL-Limon-Mine>

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