

# Para Enters Into Agreement to Acquire North OTU Gold Property comprising approximately 21,000 hectares surrounding the El Limon Mine

12.07.2016 | [ACCESS Newswire](#)

## Para is accepted by DTC to trade on OTC under symbol PRSRF

VANCOUVER, July 12, 2016 - [Para Resources Inc.](#) (the "Company" or "Para") (TSXV - "PBR") (WKN - "A14YF1") (OTC - "PRSRF") is pleased to announce that Para and its 100% Colombian subsidiary Zara Holdings S.A.S. ("Zara") have entered into a Definitive Agreement dated July 7, 2016 (the "Agreement") with OTU Gold Ltd ("OTU") to acquire certain mining titles, as well as several mining applications, which are located within the Republic of Colombia, (collectively the "North Otu Properties"). The purchase of the North Otu Properties and the assignment and transfer to ZARA of these properties includes all the rights and interests of OTU except for the rights pertaining to non-metallic minerals on the North Otu Properties. The purchase price is US\$1,000,000 (the "Purchase Price") and will be paid to OTU as follows:

1. US \$500,000 non-refundable deposit (paid).
2. US \$250,000 payable July 7, 2017. This non-refundable payment is evidenced by a promissory note and a letter of instruction in favor of OTU.
3. US\$250,000 payable within 5 business days of the date that the TSX Venture Exchange (the "Exchange") accepts the Agreement for filing (the "Acceptance Date") by the issuance to OTU of 1,270,000 common shares of PARA at a deemed price of \$0.25734, being the volume weighted average closing price of PARA's shares on the Exchange for the five trading days immediately before the date of the Agreement.
4. ZARA will pay a Royalty of 2% of the net smelter returns (the "NSR") from the sale of minerals produced from the North Otu Properties. The NSR will be calculated from the results of direct exploitation, through formalization contracts or subcontracts of operations or any figure that allows economic benefit as a result of the exploitation of minerals in these areas. ZARA may, at its discretion at any time until June 28, 2021, reduce the NSR from 2% to 1%, paying the amount of US\$1,000,000 to OTU. This amount will be constituted by US \$750,000 in cash and US \$250,000 by the issuance of that number of common shares of PARA calculated based on the volume weighted average closing price of PARA's shares on the Exchange for the five trading days immediately before reduction of the NSR.

In addition to the mineral rights, OTU has transferred to Zara its contractual position in the following contracts with Equilibria Colombia S.A.S.:

5. Long form contract dated September 18, 2015 regarding Alacran, Delirios and Diamantina mines; and
6. Short form contract dated September 18, 2015 regarding the same claims.

All shares issued to Otu by PARA under this Agreement are subject to resale restrictions of not less than 4 months and one day following their date of issue, in accordance with Canadian securities laws.

Para's CEO, Geoff Hampson states, "Purchasing roughly 21,000 Ha of mineral rights surrounding our El Limon Mine is an important step in realizing Para's strategy of developing additional sources of feed material for the El Limon processing plant. The Company plans to quantify the amount of gold recoverable on these properties through an exploration program. The results of that program are expected to justify an investment to further increase the through-put of the El Limon Mill. There are already several operating small scale underground mines on the North Otu Properties that we expect to enhance and develop. The mineralized rock will then be processed at the El Limon plant. Additionally, there is a very positive environmental effect from El Limon processing material from these existing mines and from the approximately 1,000 small artisanal miners working this property. These miners currently use mercury amalgamation to extract the gold from the rock. By processing this material at El Limon, Para will be assisting Colombia in its stated goal of eliminating mercury in mining by 2017."

Para's F2017 exploration budget is intended to gather enough data to allow the Company to publish a NI 43-101 compliant resource calculation for both the El Limon and the acquired North Otu Properties.

On July 5, 2016 Para was informed by the Deposit Trust Corporation ("DTC") that the Company's shares are now DTC eligible and can trade on the OTC "Pink" market under symbol PRSRF. Acceptance by DTC makes it easier for US investors to trade in the Company's shares.

## **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 to Remedios and based on the historical alluvium mining and the number of primary underground gold mines, is considered to be one of the most prolific gold zones in Colombia. 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 El Limon mine is currently operating underground on Levels 6 and 7 where the diluted 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 El Limon 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 owns approximately 70% of the El Limon project, in Colombia, which in addition to its current underground operation has 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.

Management's production decisions for the El Limon Gold Project are not based on a feasibility study of mineral reserves demonstrating economic and technical viability. As a result, the project has a much higher risk of economic or technical failure and may adversely impact the Company's projected profits, if any. The risks associated with this decision are set forth in the Company's latest annual management's discussion and analysis available on the Company's website and the under Para's SEDAR profile on [www.sedar.com](http://www.sedar.com).

## **ON BEHALF OF THE BOARD OF DIRECTORS**

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

## **For further information, please contact**

[Para Resources Inc.](http://www.pararesources.com)  
Andrea Laird: Telephone: +1-604-259-0302

*Neither TSX Venture Exchange nor its regulation service provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*All statements, analysis and other information contained in this press release about anticipated future events*

*or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Management believes that its estimates regarding its production plan and recovery from the El Limon mine are reasonable; however there are no assurances that the production estimates will be met for factors beyond the control of management, including the impact of proposed improvements at the mine, the impact of general business and economic conditions, fluctuating metal prices, currency exchange rates, possible variations in grade or recovery rates, changes in project parameters as plans continue to be refined, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, government regulation, environmental risks and title disputes or claims. The Company does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change except as required by applicable laws. Investors should not place undue reliance on forward-looking statements.*

---

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/236492--Para-Enters-Into-Agreement-to-Acquire-North-OTU-Gold-Property-comprising-approximately-21000-hectares-surro>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).