

Acquisition expected to increase gold production by over 850 ounces per month

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan. 18, 2017) - [Para Resources Inc.](#) (the "Company" or "Para") (TSX VENTURE:PBR)(FRANKFURT:A14YF1)(OTC PINK:PRSRF) announces that it has entered into a non-binding Letter of Intent to acquire an 80% interest in Nicaragua Milling Company Ltd., a Belize company with mining interests in the Republic of Nicaragua (the "Transaction"). The aggregate consideration payable to the Vendors for the NML Shares shall consist of 40,000,000 common shares in the capital of Para at a deemed price of C\$0.20 per share and 4,000,000 share purchase warrants of Para. Each Warrant will be exercisable to acquire one common share of Para at a price of C\$0.30 for three years from the date of issue.

NML is owned by Randy Martin, Sergio Rios and a third minority shareholder (together, the "Vendors"). Mr. Martin is an Officer, Director and major shareholder of Para. Following the Transaction, and subject to TSXV approval, Sergio Rios will be appointed a Director of Para. Mr. Martin abstained from voting on the Company's approval of the Letter of Intent by virtue of his conflict of interest.

The implementation of this Letter of Intent and the completion of the Transaction is subject to the satisfaction of a number of conditions precedent on the date of closing or such earlier date specified in the Letter of Intent:

The Conditions Precedent include the following:

- satisfactory completion of due diligence by each party on or before May 17, 2017;
- the parties entering into a definitive agreement in respect of the Transaction on or before May 17, 2017;
- the approval of the TSX Venture Exchange (the "TSXV") for the Transaction and the listing of the Para common shares issuable thereunder;
- the approval of the directors of Para and the Para shareholders;
- Para entering into management agreements concerning NML, in a form acceptable to the Vendors and their counsel. NML will operate as a separate entity, with day to day operations conducted out of the NML's offices in Managua, Nicaragua;
- Para entering into a unanimous shareholders agreement (the "Shareholders Agreement") with NML and the Vendors in respect of NML, which shareholders agreement shall include such terms and conditions as are customary for agreements of such nature, including, but not limited to, concerning the operational control of NML, decision-making requirements regarding certain fundamental matters and customary buy/sell provisions, including 'shotgun', 'drag-along', 'tag-along' and 'right of first refusal' provisions, in a form acceptable to the Vendors and their counsel;
- Para appointing Rios as a director; and
- the Vendors entering a pooling agreement in respect of the Shares and Warrants acceptable to Para and its counsel.

By virtue of Mr. Martin being an insider of Para, the Transaction is considered to be a "related party transaction" as defined in TSX Venture Exchange policies and will be required to be approved by disinterested shareholders at a meeting of Para shareholders. The Transaction will be exempt from the valuation requirements of those policies.

Geoff Hampson, Para's CEO stated, "The acquisition of 80% of NML is a good strategic fit for Para and is consistent with our overall strategy of focusing on smaller scale, cash flow positive assets that generate good returns and provide up-side opportunities for growth. Based on NML's management prepared financial statements, NML has, over the last twelve months, generated over US \$524,000 of EBITDA on average monthly production of 864 ounces of gold. Production and financial results are expected to improve over the course of 2017 with forecasted production of over 12,000 ounces generating over US \$3.37 million of EBITDA.. There are also further opportunities to leverage the NML operation in Nicaragua as the management team have excellent relationships with local miners and the Government. We see Nicaragua as an excellent place to do business. The addition of NML to our operations in Colombia strengthens Para's position and puts the Company well on its way to its goal of becoming a mid-tier gold producer by 2020."

Randy Martin, NML CEO states, "The vending of 80% of NML into Para, where I am already a member of the management team, on the board of Directors and a major shareholder, aligns our mining interests. I see a lot of opportunities that meet Para's objectives and am sure that the acquisition of NML will only be the next step in the long-term strategy of the Company. I look forward to continue contributing to the growth of Para."

ABOUT PARA RESOURCES:

Para Resources is an exploration stage gold mining and toll milling company. Para owns approximately 75% 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 has applied for the necessary permits to commence trial mining operations at its Angelim prospect on the Tucuma Project 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 under Para's SEDAR profile on www.sedar.com

ON BEHALF OF THE BOARD OF DIRECTORS

C. Geoffrey Hampson, Chief Executive Officer and Director

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. Reference to EBITDA is a non-GAAP financial measure and lacks standard meaning so may not be comparable to EBITDA calculations referred to by other issuers. There is no assurance that the NML acquisition will close on the terms disclosed or at all. 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.

Contact

[Para Resources Inc.](http://www.pararesources.com)

Andrea Laird

+1-604-259-0302