

Further announces that it has terminated the previously announced LOI with Cartesian Capital

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 27, 2017) - [Para Resources Inc.](#) (the "Company" or "Para") (TSX VENTURE:PBR)(WKN:A14YF1)(OTC PINK:PRSRF) announces that it has entered into a Gold Loan Agreement (the "Loan"), through its wholly owned subsidiary, Colombia Milling Limited ("CML"), with Conex Services Inc., a company controlled by Director and major shareholder Glenn Walsh. The Loan is for \$1 million USD and the directors of Para (excluding Mr. Walsh who abstained from considering the Loan by virtue of his conflict) have determined that the loan terms are more favorable to the Company than were offered under the previously announced Letter of Intent with Cartesian Capital and with a Term Sheet from an unrelated third party. Para has terminated the Cartesian Letter of Intent.

The terms of the Loan are as follows:

BORROWER:	Colombian Milling Limited and its Colombian operating subsidiary, Four Points Mining Ltda. (collectively "CML")
GUARANTOR:	Para Resources Inc. ("Para" or the "Guarantor").
LENDER:	Conex Services Inc. ("Conex" or the "Lender").
FACILITY:	Senior Secured Gold Loan.
FACILITY AMOUNT:	US \$1,000,000 to be repaid by the delivery of gold or the cash equivalent, at the time the payment is due.
PURPOSE:	For working capital purposes at the El Limon Mine and Mill in Colombia (the "Project"). For the sake of convenience, the Loan involves both the production of gold from El Limon, as well as the purchase and processing of gold from other local miners in the area.
MATURITY DATE:	The Facility will mature on the date that is 21 months from the Closing Date (the "Maturity Date").
GOLD REPAYMENT:	+/- 1,250 ounces of gold assuming a minimum market price at closing of \$1,160 (ounces to be adjusted for the then current gold market price) to be delivered by the Borrower(s) over the Gold Delivery Period.
GOLD DELIVERY PERIOD:	The Facility will be repaid in deliveries of physical gold (each a "Gold Delivery") with Gold Deliveries, or payments based on the London spot price for gold on that date, in the amount of 104 ounces per month starting on the 15 th day of September 2017 and ending on the Maturity Date (each a "Delivery Date") (ounces to be adjusted for the then current gold market price).
CALL OPTION:	Borrower(s) shall grant Lender 12 call options on gold for 84 ounces of gold with a \$1,400 strike price as of the first day of each month starting from January 31, 2017 through December 30, 2017 (ounces/strike price to be adjusted for the then current gold market price). The gold options shall be granted as European style options on the specific expiration dates.
SECURITY DOCUMENTS:	The Gold Loan shall be secured by: <ol style="list-style-type: none">A first priority security interest over the mine, concessions, plant property and equipment;pledge from the Guarantor over its shares of the Borrower; andAny other security as may be reasonably required by Lender.

Further to Para's news release of April 8, 2016 announcing a credit facility made available to the Company by Conex in the maximum principal amount of \$3,000,000, available for drawdown up and to December 31, 2016 (the "Credit Facility"), the Company announces it has entered into a letter agreement with Conex amending the Credit Facility by (i) increasing the maximum available under the Credit Facility to \$5,000,000 and (ii) extending the availability of the Credit Facility to December 31, 2017. As a result of these amendments, amounts outstanding under the Credit Facility will become due and payable December 31, 2019. The additional capital provided by the amended Credit Facility, in addition to operational cash flow, will be used by the Company to fund expenses in connection with the Company's proposed strategic alliance and earn-in agreement in respect of the Finaris mine and associated concessions, as well as the Las Lomas de Casma processing plant in Peru - please refer to the Company's January 26, 2017 news release for more information.

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 the under Para's SEDAR profile on www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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. There are no assurances that the Loan will be advanced 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.

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