

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec. 30, 2016) - [Para Resources Inc.](#) (the "Company" or "Para") (TSX VENTURE:PBR)(FRANKFURT:A14YF1)(OTC PINK:PRSRF) announces that it and its wholly owned Brazilian subsidiary Angra Metals Mineração Ltda. ("Angra") have entered into a Mutual Release Agreement and Amendment Agreement to the Mutual Release Agreement (together the "Settlement Agreements") with Sercor Ltd. ("Sercor"), Mineração Iraja S/A (the "Vendor") and Mineracao Gradaus Ltda and Brason Consultoria Inportacao Exportacao Ltda (together the "Royalty Holders"), under which the parties have terminated the Mineral Rights Purchase and Sale Agreement dated September 8, 2014 (the "Acquisition Agreement") whereby the Company through Angra was to acquire a 100% right, title and interest in and to the Cumaru-Gradaús Gold Project located in Para State, Brazil (the "Project"), as well as subsequent acknowledgement agreement (the "Acknowledgment Agreement") with Sercor, under which the Vendor assigned to Sercor its right to receive the share consideration from the Company under the Acquisition Agreement.

Pursuant to the Acquisition and Acknowledgment Agreements (collectively the "Agreements"), the Company acquired the right to purchase 100% of the Project in consideration of the issuance of 6,440,500 common shares of the Company to Sercor, as well as the maintenance of a number of royalties on the Project, and the Vendor became entitled to a 1% Net Smelter Return royalty (the "Tucuma Royalty"), in the event the Company achieved commercial production on its Tucuma project located in Para State, or any other project within 5 kilometers of the Tucuma project.

The Settlement Agreements terminate all the Company and Angra's obligations under the Agreements (including the Tucuma Royalty) in consideration of the issuance of 1,250,000 common shares in the capital of the Company (the "Shares") to Sercor on the 10th business day (the "Closing Date") following TSX Venture Exchange approval of the Settlement Agreements. The Shares are subject to voluntary resale restrictions expiring in 25% tranches on the six, nine, 12 and 18 month anniversaries of the Closing Date.

The Company has received conditional acceptance to the Settlement Agreements from the TSX Venture Exchange and will proceed with closing.

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

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. 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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