

Para Resources Updates on El Limon Production

Lake Forest Development and Conex Services to Exercise Warrants Early to Finance OTU Purchase

VANCOUVER, BC / ACCESSWIRE / May 24, 2016 / Para Resources Inc. (the "**Company**" or "**Para**") (TSXV: PBR) (WKN: A14YF1) is pleased to announce that its high-grade gold mine and mill at El Limon in Colombia has now been operating for two weeks and is producing gold. The senior management team and major shareholders attended the mine site near Zaragosa last week to witness operations. All systems were operational and the mine is processing material stockpiled during the re-construction phase. There is approximately 4,500 tons of mineralized rock from the underground mine on site waiting to be processed. Underground mining operations continue.

During this phase of the ramp up schedule, the mill has been operating on one 12-hour shift. Second shift personnel are on site and undergoing training. The ramp up schedule anticipates moving to 24 hours per day production schedule in June.

In addition to the ongoing mining and processing at El Limon, the Company has begun to implement a geological survey program to assist in developing a comprehensive mining plan, assess and quantify the extent of the underground potential and to begin to map and survey the surrounding property at El Limon and the adjacent OTU property to be acquired in the impending purchase of the mineral rights from OTU Gold. This program will improve the efficiency of underground mining operations and develop additional sources of mineralized material to feed the 200 TPD mill.

The Company also announces that the due diligence on the purchase of the approximately 17,000 Ha of mineral rights from OTU Gold has been completed and the parties are proceeding to a definitive agreement. The purchase of the OTU mineral rights is expected to close on June 28th 2016.

The \$1 million USD purchase of the OTU mineral rights require a cash payment of \$500,000 USD at closing. In order to be able to make that payment and after seeing the progress at the El Limon mine site last week, Conex Services Inc ("Conex") and Lake Forest Development Corp. ("Lake Forest"), both major shareholders of the Company and holders of approximately 7.3 million Share Purchase Warrants (Lake Forest: 5,979,096 and Conex: 1,285,112) which expire on August 22, 2016, have arranged to exercise these warrants in early June 2016, for net proceeds to the Company of \$726,420.80 CAD. Both of Lake Forest and Conex will hold the shares resulting from the Warrant Exercise as a long term investment.

Geoff Hampson, CEO of Para Resources, commented:

"Seeing the production plant and mill up and running and producing gold after the re-construction program is very gratifying. Preliminary indications are that mining and processing costs will be on budget. The gold grade of the 4,500 tons of material extracted from the underground and stock piled at the mine site are as anticipated and are expected to improve in the coming months as new mine production will have less dilution. The team at the mine site has done a great job of bringing the project in on schedule and on budget."

Photographs taken during the site visit last week will be posted on the Company's website shortly and will be available at www.pararesourcesinc.com.

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 of width over a quartz vein with abundant sulphides and reported 65.33 gpt Au, 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

For further information, please contact Andrea Laird:

Telephone: 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. 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.

SOURCE: Para Resources Inc.