

PARA RESOURCES INC.

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PARA RESOURCES ANNOUNCES AGREEMENT TO ACQUIRE GOLD ROAD MINE IN NORTHWESTERN ARIZONA

August 8, 2017, Vancouver, B.C. -- Para Resources Inc. (the “Company” or “Para”) (TSXV - “PBR”) (WKN – “A14YF1”) (OTC – “PRSRF”) is pleased to announce that it has entered into an asset purchase agreement, along with its indirect 88% owned subsidiary, Gold Road Mining Corp., to acquire from Mojave Desert Minerals LLC (the “Vendor”) all of the assets comprising the Gold Road Mine. The Gold Road Mine is located in Oatman, Arizona is the only fully permitted mine in the largest primary gold district of Arizona. **The Gold Road** mine has produced over 700,000 ounces of gold and operated as recently as 2016.

A modern fully permitted 500 tpd cyanide leach (CIP) mill, which last operated in June of 2016, is located at the Gold Road site. The site has recently permitted over 20 years of additional dry stack tailings capacity. All surface disturbance is on private land. The 500 TPD mill and cyanide leach operation has been on care and maintenance for one year and is in good working order. It is believed that no major capital costs will be incurred to restart the mill.

In the mine, prior development efforts extended the main haulage slope to the bottom of the mine and drifted over 2,000 feet, exposing potential mining blocks. Exploration potential is considered very good, as the vein is open to the east and down dip. Historic production grade was between 6 to 9 grams per ton with vein widths at 1.5 to 1.8 meters. The mine will require dewatering below level 700 to allow access to level 820.

Para CEO, Geoff Hampson states, “Gold Road is a great acquisition for Para Resources as it is consistent with our strategy of acquiring assets at a reasonable cost which have both the potential to be in production in the near term and longer-term exploration upside. Gold Road offers both. The acquisition of Gold Road expects to bring the Company closer to its goal of producing more than 100,000 ounces by 2020”. Mr. Hampson further states, “In addition to purchasing the assets for an attractive price, Arizona is a very good mining and investment jurisdiction with a highly skilled workforce and a history of successful mining operations. The Gold Road mine is within 12 kilometers of Northern Vertex Mining Corp’s (TSXV:NEE) Moss Mine and is located in the center of the historic Oatman mining district that has produced millions of ounces of gold over the last 100 years.”



Gold Road Property showing the Mine Entrance, Mill and dry stack tailings

The asset purchase agreement provides for the Company's acquisition of all of the patented and unpatented claims comprising the Gold Road Mine, the mill site and water rights claims, the mining and milling equipment (500 tpd cyanide leach facility), related buildings, warehouse, vehicles, lab equipment and all assets comprising the facility. The purchase price of USD\$6,767,540, will be paid by a cash payment of USD\$767,540 at closing, with the balance of USD\$6M covered by a promissory note that provides for payment of USD\$1,000,000 on each anniversary of the closing date, until fully paid. Para may prepay the note without premium or penalty. Under the asset purchase agreement, Para has also agreed to grant to the Vendor, a net smelter returns royalty of 2.0% with respect to product mined at the Gold Road Mine and a 1.0% net smelter returns royalty on product processed at the Gold Road mill. The parties expect to close the asset purchase agreement by the middle of August, 2017.

Para President, Ian Harris states, "Gold Road leverages the experience of Para's management team to rehabilitate and operate underground epithermal gold vein mines. Within the next six months from the closing, with assistance of external consultants, Para expects to establish a current resource estimate and file an NI43-101 technical report. The Company will move forward with a preliminary economic assessment if the Company thinks it would be beneficial."



The Gold Road Mill

Gold Road Property

Exploration for the Gold Road mine is proposed to be achieved from underground drill stations. Drilling from the surface cannot be achieved economically due to terrain limitations, depth and the dip of the vein. The 800 (820-840) level was driven with the goal of using it to explore the vein through drifting along the vein, but also with the goal of utilizing it as access to drive crosscuts into the hanging wall for drill stations. Five crosscuts are proposed with the purpose of exploring the best areas first. Both core drilling and underground reverse circulation drilling techniques would be utilized to maximize the number of penetrations at the least overall cost without compromising data quality.

Oatman District

Over 1.3 million ounces has been recovered from the other mines in the district all within hauling distance from the Gold Road Mill. Very little exploration has been performed on the remainder of the district. Significant effort made to review the district and an extensive database for the district has been compiled. Numerous exploration targets have been identified and are available for testing. The majority of the targets are on fee simple land. In addition, there are extensive historical tailings in the district that may be amenable to economic reprocessing. In 2016, the Gold Road mill successfully processed tailing from a nearby dump site.

Permitting

The Gold Road Mine is fully permitted and can be operated immediately. The area to be explored is on private ground, therefore, permitting exploration drill holes is a simple process and only requires a notification of intent to drill and filing of a drill completion log. Mining and milling permits are handled by the Arizona Department of Environmental Quality and take about 13 to 18 months to obtain. The mineralized rock contains no significant deleterious elements and is acid consuming.

Metallurgy

The extraction process is amenable to cyanidation at a fine grind. The metallurgy is well known through both historical milling and recent milling at the Gold Road Mine. Cost of milling has been established from years of experience and is well known. Historical recovery at Gold Road has been around 95%.

Environmental Issues

While the property has been mined historically, there are no significant environmental concerns. The waste rock at Gold Road has been ruled inert and not subject to Aquifer Protection rules.

If the Company were to bring the Gold Road Mine into production without first establishing mineral reserves supported by an NI 43-101 technical report and completing a feasibility study, the Company cautions that this could result in higher risk of economic or technical failure of the operation than if a feasibility study had been prepared demonstrating economic and technical viability. There are no assurances that the Gold Road Mine will be found to be economic.

Paulo Andrade, PhD Geologist, a member of the Australian Institute of Geoscientists (MAIG No. 6136), senior geologist, vice-president and country manager for Para is the Qualified Person who is responsible for the technical disclosure contained in this news release.

ABOUT PARA RESOURCES:

Para is a junior producing gold mining company. Para owns approximately 80 % of the El Limon project, in Colombia, which in addition to its current underground operation is purchasing mineralized rock mined by small artisanal miners working on the Company's property. The El Limon and OTU properties also have 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 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, Chairman, Chief Executive Officer and Director

For further information, please contact Andrea Laird, telephone: +1-604-259-0302

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Statements contained in this news release that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company’s properties; success of exploration, development and mill processing activities; and the closing of the asset purchase agreement for the Gold Road Mine and the anticipated results to be achieved from operation of the mine. The Company also cautions that there is no assurance that past production at Gold Road or production at nearby mines is indicative that the Company will achieve similar results. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the asset purchase agreement will close as anticipated. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.