Para Resources Announces $6,400,000 Non-Brokered Private Placement

written by Raj Shah | May 24, 2018

May 24, 2018 (Source) – Para Resources Inc. (TSXV: PBR) (WKN: A14YF1) (OTC Pink: PRSRF) (the "Company" or "Para") is pleased to announce that it has arranged a non-brokered private placement (the "**Private Placement**") for total gross proceeds of up to C$6,400,000. The Private Placement will consist of up to 32,000,000 units at a price of C$0.20 per unit (each a "**Unit**"). Each Unit is comprised of one common share of the Company and one common share purchase warrant (each a "**Warrant**"). Each Warrant entitles the holder to acquire one common share of the Company for a period of 3 years at a price of C$0.30, subject to an accelerated expiry if the closing trading price of the Company's shares is greater than C$0.40 per share for a period of 10 consecutive trading days (the "**Acceleration Event**"). The Company will give notice to the holders of the Acceleration Event and the Warrants will expire 30 days thereafter. Proceeds of the Private Placement will be used for the final payment regarding the El Limon purchase, for the final cost of the Gold Road PEA, for mill and mine preparation costs at Gold Road and for general corporate and working capital purposes.

The Company expects certain of its directors to participate in the Private Placement. Participation of insiders of the Company in the Private Placement constitutes a related-party transaction

as defined under Multilateral Instrument 61-101. Because the Company's shares trade only on the TSX Venture Exchange, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101. The Private Placement is subject to TSX Venture Exchange approval.

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. The Company also owns 88% of the Gold Road Mine in the Oatman District of Arizona. RPM Global recently produced a NI 43-101 Technical Report and PEA, establishing a Mineral Resource estimate and a good economic outlook for the Gold Road Mine. Production at Gold Road is expected to commence in September 2018. 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"

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C. Geoffrey Hampson, Chairman, Chief Executive Officer and Director

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