PARA RESOURCES INC.

Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)

For the Three and Nine Months Ended May 31, 2015 and 2014

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Para Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Notes	May 31, 2015 $	August 31, 2014 $
ASSETS			
Current assets			
Cash		122,377	83,153
GST receivable		1,714	20,819
		124,091	103,972
Non-current assets			
Deferred acquisition cost	4	497,987	-
Exploration and evaluation assets	5	727,390	532,996
		1,225,377	532,996
TOTAL ASSETS		1,349,468	636,968
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		200,553	137,806
Due to related parties	8	174,301	253,640
Loan payable	6	1,183,372	-
TOTAL LIABILITIES		1,558,226	391,446
(DEFICIT) EQUITY			
Share capital	7	2,771,654	2,707,511
Share option and warrant reserve		294,279	261,867
Contribution reserve		3,146,108	3,146,108
Deficit		(6,239,430)	(5,894,554)
Other comprehensive (loss) income		(181,369)	24,590
TOTAL (DEFICIT) EQUITY		(208,758)	245,522
TOTAL LIABILITIES AND (DEFICIT) EQUITY		1,349,468	636,968

Para Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended May 31, 2015 and 2014
(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended May 31, 2015 $	Three months ended May 31, 2014 $	Nine months ended May 31, 2015 $	Nine months ended May 31, 2014 $
Expenses					
Consulting	8	30,000	30,000	90,000	90,000
Office and miscellaneous	8	47,661	5,582	78,321	33,981
Professional fees	8	4,536	30,167	67,644	80,982
Regulatory and other filing fees		2,671	3,974	22,970	19,950
Share-based payments		-	-	32,412	-
Loss before other items		84,868	69,723	291,347	224,913
Interest expense		50,210	25,869	53,529	62,761
Net loss for the period		135,078	95,592	344,876	287,674
Other Comprehensive Loss					
Loss (gain) on foreign translation		122,585	(39,624)	205,959	(79,575)
Net Loss and Comprehensive Loss for the period		**257,663**	**55,968**	**550,835**	**208,099**
Basic and Diluted Loss per Common Share		(0.01)	(0.02)	(0.01)	(0.05)
Weighted Average Number of Common Shares Outstanding		25,923,825	5,611,600	25,438,251	5,611,600

Para Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three and Nine months ended May 31, 2015 and 2014
(Unaudited - expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	Amount	Share Option and Warrant Reserve	Contribution Reserve	Deficit	Other Comprehensive Income	Total Equity
		$	$	$	$	$	$
Balance as at August 31, 2013	5,611,600	1,480,908	217,518	3,146,108	(5,510,578)	(51,388)	(717,432)
Net loss for the period	-	-	-	-	(287,674)	-	(287,674)
Other comprehensive income for the period	-	-	-	-	-	79,575	79,575
Balance, May 31, 2014	5,611,600	1,480,908	217,518	3,146,108	(5,798,252)	28,187	(925,531)
Issued during the period:							
For cash pursuant to private placement	4,928,572	345,000	-	-	-	-	345,000
For the settlement of debt	14,528,416	1,016,989	-	-	-	-	1,016,989
Less: issue costs – cash	-	(91,037)	-	-	-	-	(91,037)
– agent options	-	(44,349)	44,349	-	-	-	-
Net loss for the period	-	-	-	-	(96,302)	-	(96,302)
Other comprehensive loss for the period	-	-	-	-	-	(3,597)	(3,597)
Balance as at August 31, 2014	25,068,588	2,707,511	261,867	3,146,108	(5,894,554)	24,590	245,522
Bonus shares issued for loan	855,237	64,143	-	-	-	-	64,143
Share-based payment on options grant	-	-	32,412	-	-	-	32,412
Net loss for the period	-	-	-	-	(344,876)	-	(344,876)
Other comprehensive loss for the period	-	-	-	-	-	(205,959)	(200,859)
Balance as at May 31, 2015	25,923,825	2,771,654	294,279	3,146,108	(6,239,430)	(181,369)	(208,758)

Para Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three and Nine months ended May 31, 2015 and 2014
(Unaudited - expressed in Canadian Dollars)

	2015 $	2014 $
OPERATING ACTIVITES		
Net Loss for the period	(344,876)	(287,674)
Non-cash items:		
Share-based payments	32,412	-
Interest on loan	53,391	-
Changes in non-cash working capital items:		
GST Receivable	19,105	43,945
Prepaid expenses	-	-
Accounts payable and accrued liabilities	62,747	79,667
Due from related parties	(87,108)	23,495
	(264,329)	(140,577)
FINANCING ACTIVITIES		
Loans payable	1,201,893	400,108
Repayment of loans from related parties	-	(11,262)
	1,201,893	388,846
INVESTING ACTIVITIES		
Deferred acquisition cost	(497,987)	-
Expenditures on exploration and evaluation assets	(380,036)	(289,906)
	(878,023)	(289,906)
Foreign exchange effect on cash	(20,317)	53,645
INCREASE IN CASH DURING THE PERIOD	39,224	11,998
CASH, BEGINNING OF THE PERIOD	83,153	4,652
CASH, END OF THE PERIOD	122,377	16,650
Non-cash items excluded from financing activities		
Bonus-shares issued for loan payable	64,143	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Para Resources Inc. (the "Company" or "Para") is the parent company of its consolidated group and was incorporated on April 13, 2010 under the Business Corporations Act (British Columbia). The Company was a capital pool company pursuant to the policies of the TSX Venture Exchange ("Exchange"). On April 30, 2012 the Company completed its Qualifying Transaction by acquiring all of the issued and outstanding shares of Angra Metals Mineração Ltda. ("ANGRA") from Goldsource Mines Inc. (formerly Eagle Mountain Gold Corp.) ("Goldsource") after obtaining approval from the Exchange. Effective May 2, 2012 the Company was classified as a Mineral Exploration and Development company and is currently listed on the Exchange under the trading symbol "PBR"

The Company's principal business activity is the acquisition, exploration and development of mineral properties.

The registered office of the Company is 1000 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7C 1S8 and its head office is 200-375 Water Street, Vancouver, British Columbia, V5B 0M9.

The condensed interim consolidated financial statements were prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and to place these properties into production, renewal of underlying titles to the mining properties and/or future proceeds from the disposition thereof.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting year. Management is aware in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, as explained in the following paragraph.

The Company has not yet generated income or cash flows from operations. As at May 31, 2015, the Company had an accumulated deficit of $6,239,430 (August 31, 2014 – $5,894,554). For the nine months ended May 31, 2015, the Company incurred a loss of $344,876 (2014 - $287,674) and negative cash flow from operations amounting to $264,329 (2014 – $140,577). The Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program and to meet its future option payment obligations and all of its general and administrative costs. Management intends to raise additional necessary financing through the issuance of common shares. There is no assurance that the Company will be successful in raising the additional required funds.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, the above noted conditions raise significant doubt regarding the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2014 except as outlined in Note 3. These financial statements were approved by the board of directors for use on July 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The following standards have been issued but not yet applied:

- In the annual period beginning September 1, 2018, the Company will be required to adopt IFRS 9, *Financial Instruments*, which is the result of the first phase of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Management is currently evaluating the impact that this standard will have on the consolidated financial statements.

4. DEFERRED ACQUISITION COST

Ojos Negros Gold Property:

The Company executed a binding letter of intent (the "LOI") on April 25, 2015 with Navial Mineria, S.A. de C.V. ("Navial") and Ivonne Alicia Boileve Romero ("Romero") under which it has agreed, subject to certain conditions including TSX-V (the "Exchange") approval, completing final due diligence and entering into a definitive agreement (the "Definitive Agreement"), to acquire the option (the "Option") to earn up to a 75% interest in and to the Ensenada IV mineral concession known as the Ojos Negros Gold Property ("Ojos Negros") in Baja California, Mexico.

To facilitate the exercise of the Option, Romero and Navial will transfer 100% legal and beneficial ownership of Ojos Negros to a private Mexican subsidiary of the Company ("NewCo") which has not yet been incorporated and will only be incorporated if the Company proceeds with the option.

The Option can be exercised in the following stages:

- The Company fund a total of USD $225,000 in preliminary exploration expenditures on Ojos Negros (the "Initial Expenditures")
- Within 60 days of completion of the initial expenditures and subsequent report issuance, the Company shall give Romero and Navial notice of its intention to either proceed with or abandon the Option ("First Notice")

In the event the Company chooses to abandon the Option in the First Notice and within 5 years Romero or Navial advance Ojos Negros to production, the Company shall be reimbursed for the Initial Expenditures by promissory note in the full amount of the Initial Expenditures, accruing interest at a rate of 7% per annum (the "Note"). Interest payable under the Note shall accrue from the date of the First Notice, and the Note will have a term of three years from the date of issuance.

In the event the Company elects to proceed with the Option in the First Notice:

- The Company shall pay all outstanding taxes owing in respect of Ojos Negros to the Mexican Department of Mines, the taxes are expected to be approximately $1,302,000. This will allow for the transfer of 100% legal and beneficial ownership of Ojos Negros from Navial and Romero to NewCo (the "Transfer"); and
- Contemporaneously with the Transfer, the Company shall issue 50% of the then-issued and outstanding shares of the NewCo to Navial, such that Newco is the 100% legal and beneficial owner of Ojos Negros and each the Company and Navial are 50% owners of NewCo.
- Following the Transfer, the Company will have the option to acquire an additional 25% interest in Ojos Negros by acquiring an additional 25% of NewCo by funding additional exploration expenditures on Ojos Negros in accordance with the following formula:

(Unaudited - expressed in Canadian Dollars)

- USD \$3,000,000 – USD\$225,000 – total outstanding taxes paid by Para

Upon final approval of the Definitive Agreement, Para will issue to Navial 1,296,591 non-transferable share purchase warrants, each of which will entitle Navial to purchase one common share of the Company at an exercise price of \$2.00 per share for a period of 3 years from the date of issuance. The warrants shall only be exercisable by Navial in the event that a technical report, which complies with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and has been accepted by the Exchange, certifies a total measured and indicated resource of a minimum of two million ounces of gold, including any gold recovered on or after the date of the LOI.

The Ojos Negros property is subject to a 3% royalty in favour of Romero on the net value of the sale of minerals produced and a 3% royalty in favour of Cambria Geosciences S.A. de C.V. ("Cambria") on the value of the mining product at the mine gate of the Ojos Negros property. The Cambria royalty can be reduced from 3% to 2% in consideration of a onetime payment to Cambria of \$250,000 within six months of commercial production on the Ojos Negros property.

As at May 31, 2015 the Company had spent USD \$125,324 (\$147,859 CAD) of the required USD \$225,000. (Note 10)

A breakdown of total deferred acquisition costs is as follows:

	May 31, 2015	**August 31, 2014**
	\$	\$
Ojos Negros	125,324	-
Colombia Milling Ltd. (Note 10)	350,128	-
	497,987	-

(Unaudited - expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Tucumã gold project:

The Company owns a 100% interest in the Tucumã copper/gold exploration project, which consists of six mineral concessions covering a total of 11,456 hectares located in the Carajas metallogenic province in the State of Pará, Brazil. The annual fees for the concessions are approximately $13,000. Prior to a concession expiring, the Company must present to the authority a technical report on the concession, which serves a basis for determining a renewal.

	May 31, 2015	August 31 , 2014
	$	$
Acquisition Cost		
Balance, beginning of period	1	1
Addition, during the period	-	-
Impairment charge	-	-
Balance, end of the period	1	1
Deferred Exploration Costs		
Balance, beginning of the period	532,995	62,085
Addition during the period		
Assays	9,760	14,318
Consulting	129,243	189,587
Drilling	95,616	-
Field supplies	50,468	79,578
Miscellaneous	722	25,772
Project administration	64,255	62,055
Vehicle expenses	29,972	56,137
Foreign exchange on mineral property	(185,642)	43,463
Total additions during the period	194,394	470,910
	727,389	532,995
Balance, end of the period	**727,390**	**532,996**

Cumaru-Gradaus Gold project:

On May 11, 2015 the Company executed an agreement with Mineracao Iraja S/A (the "Vendor") bringing into effect a Mineral Rights Purchase and Sale Agreement (the "Agreements").

Pursuant to the Agreements the Company will, subject to completion of conditions of closing and TSX Venture Exchange approval, acquire a 100% right, title and interest in and to the Cumaru Gradaus Gold project (the "Project") located in Para Sate, Brazil. In consideration the Company will issue 6,440,500 common shares of the Company and a 2% NSR to the Vendor. The NSR will apply to any property brought into commercial production by the Company within 5 kilometers of the Cumaru-Gradaus Gold project. In the event commercial production exceeds 1,000,000 oz. of gold, the royalty will increase to a 3% NSR. The project is also subject to existing royalties, in an aggregate of 2.4% of NSR. The Company will grant the Vendor an additional 1% NSR in the event the Company commences commercial production on any other project in Brazil, including the Tucumã project.

(Unaudited - expressed in Canadian Dollars)

6. LOAN PAYABLE

During the nine months ended May 31, 2015 the Company entered into a loan agreement with Conex Services Inc. ("Conex") whereby Conex would advance the Company $250,000, received in multiple tranches, for working capital purposes. The loan is secured with a promissory note and has a term of 12 months from the date of the advance, bearing interest at 1% per month for the duration of the loan. As additional consideration for the loan, on February 3, 2015, the Company issued 855,237 bonus shares to Conex. The shares were recorded at fair value on the date of issuance at $64,143 as a financing cost and will be amortized over the life of the loan. As at May 31, 2015, the Company has accrued interest of $45,622 on the loan.

During the nine months ended May 31, 2015 the Company received additional loans from Conex, with the same terms as the previous loan agreement, in the amount of $1,001,893. The additional funds were used to pursue different business opportunities. (Note 4 and Note 10)

7. SHARE CAPITAL

Authorized

Unlimited common shares without par value

Stock options

The Board of Directors of the Company may, from time to time, at its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent of the issued and outstanding common shares exercisable for a period not to exceed five years from the Company's listing date. The options may be cancelled after the Company has entered into a Qualifying Transaction at the later of 12 months after the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, or technical consultant. The following is a continuity schedule of outstanding options for the reporting period.

The Company's stock options outstanding as at May 31, 2015 and August 31, 2014 and the changes for the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life (years)
Balance, August 31, 2013	383,100	0.74	3.07
Granted	1,232,143	0.10	
Balance, August 31, 2014	1,615,243	0.25	1.93
Granted	900,000	0.05	
Cancelled	(10,000)	0.75	
Balance outstanding and exercisable at May 31, 2015	2,505,243	0.18	2.56

(Unaudited - expressed in Canadian Dollars)

Stock options outstanding and exercisable at May 31, 2015 are as follows:

Number of Options	Exercise Price $	Expiry Date
8,100	0.50	December 24, 2015
1,232,143	0.10	August 22, 2016
365,000	0.75	July 10, 2017
900,000	0.05	December 30, 2019
2,505,243		

On December 30, 2014, the Company granted 900,000 options, vesting immediately, to directors and officers, exercisable at $0.05 and expiring on December 30, 2019. The fair value of the options granted was $0.04 and the Company recorded share-based payments expense of $32,412. The fair value of these options was determined using an option pricing model using the following assumptions: Risk free interest rate 1.34%; expected life 5 years; expected volatility 94.8% and expected dividends of $nil. There were no options issued during the nine months ended May 31, 2014.

Warrants

The Company's warrants outstanding as at May 31, 2015 and August 31, 2014 and the changes for the periods then ended are as follows:

	Number of Warrants	Exercise Price $
Balance, August 31, 2013	879,000	0.98
Issued	9,728,494	0.10
Balance, August 31, 2014	10,607,484	0.17
Expired	(879,000)	0.98
Balance, May 31, 2015	9,728,484	0.10

Warrants outstanding as at May 31, 2015 were as follows:

Outstanding Warrants	Exercise Price $	Expiry Date
9,728,494	0.10	August 22, 2016
9,728,494		

Weighted average remaining contractual life is 1.23 years.

Escrowed shares

The 2,960,000 common shares originally issued by the Company to Goldsource were held in escrow. Under the terms of the escrow agreement, 10% of the escrowed common shares were be released from escrow following issuance of the final exchange bulletin upon completion of the Qualifying Transaction on April 30, 2012, and 15% were to be released every six months thereafter over a period of thirty six months. As at May 31, 2015, all escrowed shares had been released.

(Unaudited - expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

All amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment unless otherwise stated. The Company paid or accrued remunerations to its directors and officers during the three and nine months ended May 31, 2015 and 2014 are as follows:

	Three months ended May 31,		Nine months ended May 31,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Consulting fees paid to a director	30,000	30,000	90,000	90,000
Administrative fees paid to a company controlled by a director	7,500	7,500	22,500	22,500
	37,500	37,500	112,500	112,500

As at May 31, 2015, $24,936 (August 31, 2014 - $112,661) was owing to a director and a private company controlled by him, and $19,199 (August 31, 2014 - $19,199) to was owing to Goldsource, a company with common directors and officers.

As at May 31, 2015, loans totaling $129,771 (August 31, 2014 - $121,780) were due to a director, a private company which he is a director of, and a private company controlled by him. Loans amounting to $25,752 are unsecured and non-interest bearing and loans amounting to $104,019 bear an interest rate of 1% per month compounded monthly all with a due date July 17, 2015.

9. SEGMENTED DISCLOSURE

Operating segment:

The Company has one operating segment, being the acquisition, exploration and evaluation of mineral properties.

Geographic segment:

The Company's assets and liabilities as at May 31, 2015 and August 31, 2014 and the Company's expenses by geographic area for the period ended May 31, 2015 are as follows:

	May 31, 2015		
	Brazil	Canada	Total
	$	$	$
Current assets	17,663	78,705	124,091
Deferred acquisition costs	-	497,987	497,987
Exploration and evaluation asset	727,390	-	727,390
Total assets	745,053	576,692	1,349,468
Current liabilities	96,563	1,461,663	1,558,226
Total liabilities	96,563	1,461,663	1,558,226
Expenses	-	291,347	291,347
Other expenses	-	53,529	53,529
Net loss	-	344,876	344,846

(Unaudited - expressed in Canadian Dollars)

The Company's assets, liabilities, expenses by geographic area as at and for the year ended August 31, 2014 were as follows:

	August 31, 2014		
	Brazil	Canada	Total
	$	$	$
Current (liabilities) assets	13,520	90,452	103,972
Exploration and evaluation asset	532,996	-	532,996
Total assets	546,516	90,452	636,968
Current liabilities	8,068	383,378	391,446
Total liabilities	8,068	383,378	391,446
Expenses	9	310,496	310,505
Other expenses	-	73,471	73,471
Net loss	9	383,967	383,976

10. SUBSEQUENT EVENTS

- Subsequent to May 31, 2015, the Company received an additional $501,110 in loans from Conex and $101,229 in loans from a private company controlled by a director.
- On June 30, 2015 the Company finalized the Definitive Agreement with Navial and Romero, the Company is still awaiting Exchange approval. In addition to finalizing the Definitive Agreement the Company has completed funding of the Initial Expenditures and is currently in the process of determining whether or not to proceed with the Option.
- On July 20, 2015 the Company announced it had entered into a shareholders' agreement ("Shareholders' Agreement"), subscribing for between 33.33% and 45% of the common shares of Colombia Milling Limited ("Colombia Milling"), a Belize incorporated Company. Pursuant to the Shareholders' Agreement, the Company is required to contribute an aggregate total of a minimum of USD $1,000,000 to acquire 33.33% of Colombia Milling, comprised of the following:
    - A payment of USD $500,000 (paid)
    - Six payments of USD $100,000, no later than the first day of each of the months commencing July 1, 2015 (paid) to December 1, 2015, inclusive.
    - The Company may decide to increase its ownership of Colombia Milling to 45%, wherein its contribution will increase to $1,350,000
    - Colombia Milling currently owns a 100% interest in American Gold Mines Ltd. ("AGM"), a Cayman Islands company and owner of 50.002% of the outstanding shares of Four Points Mining SAS ("Four Points"), a Colombian company and owner of certain mineral licenses in northern Colombia, which contain the El Limon mine(the " Property"). Colombia Milling acquired an additional 11% interest in Four Points from Sr. Duque for total consideration of USD $116,000, bringing their interest in the Property to approximately 61%. Pursuant to the Shareholders' Agreement, the Company will indirectly control between 20.3% and 27.45% of the Property.