PARA RESOURCES INC.

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

For the Three Months Ended March 31, 2019 and 2018

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	March 31, 2019 $	December 31, 2018 $
ASSETS			
Current assets			
Cash		306,743	389,446
Short-term investment		-	3,383,216
Receivables		881,329	660,756
Inventory		370,455	317,426
Prepaids and deposits	5	1,067,274	810,951
Advance royalties		33,832	27,717
Total current assets		2,659,633	5,589,512
Non-current assets			
Mineral properties	6	37,031,009	30,970,616
Exploration and evaluation assets	7	2,502,146	2,241,833
Plant and equipment	8	10,492,197	10,649,596
Total non-current assets		50,025,352	43,862,045
TOTAL ASSETS		52,684,985	49,451,557
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	2,233,566	2,032,738
Due to related parties	9	39,390	39,390
Pre-paid forward gold purchase liability	11	5,384,500	4,981,078
Total current liabilities		7,657,456	7,053,206
Deferred income tax liability		3,958,710	3,958,710
Loans	10	7,672,391	7,297,780
Pre-paid forward gold purchase liability	11	16,153,498	16,188,503
Total non-current liabilities		27,784,599	27,444,993
TOTAL LIABILITIES		35,442,055	34,498,199
EQUITY (DEFICIT)			
Share capital	12	26,125,971	26,128,752
Shares to be issued	12	5,105,070	-
Share option and warrant reserve	12	2,953,565	2,893,560
Contributed surplus	10	11,196,272	11,196,272
Deficit		(28,814,538)	(26,893,508)
Accumulated other comprehensive income		97,314	835,486
Equity attributable to shareholders		16,663,654	14,160,562
Non-controlling interests		579,276	792,796
		17,242,930	14,953,358
TOTAL LIABILITIES AND EQUITY		52,684,985	49,451,557

Nature of operations and going concern (Note 1)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Para Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended March 31, 2019 $	2018 $
Expenses			
Business investigation		28,495	-
Consulting	18	310,957	395,917
Depreciation	8	9,083	6,004
Investor relations		25,000	50,009
Office and miscellaneous	18	(268,765)	288,280
Professional fees		64,908	67,702
Regulatory and other filing fees		16,024	13,052
Repairs and maintenance		6,185	-
Salaries	18	529,333	348,342
Share-based compensation	18	60,005	378,862
Loss before other items		(844,225)	(1,548,168)
Interest expense	11-16	(385,663)	(703,050)
Loss on revaluation of derivative		(818,414)	-
Gain on fair value of loan		-	46,114
Other expenses		(45,954)	-
Other income	11	44,767	-
Net income (loss) for the period		(2,049,489)	(2,205,104)
Other Comprehensive Income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Gain (loss) on translating foreign operations		(823,233)	164,954
Income (loss) and Comprehensive income (loss) for the period		**(2,872,722)**	**(2,040,150)**
Income (loss) for the period attributable to:			
Owners of the parent		(1,921,030)	(2,045,363)
Non-controlling interest		(128,459)	(159,741)
		(2,049,489)	**(2,205,104)**
Comprehensive income (loss) for the period attributable to:			
Owners of the parent		(2,659,202)	(1,917,360)
Non-controlling interest		(213,520)	(122,790)
		(2,872,722)	**(2,040,150)**
Basic and Diluted (Loss) per Common Share		(0.01)	(0.01)
Weighted Average Number of Common Shares Outstanding		164,218,240	141,676,340

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Para Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

	Share Capital								
	Number of Shares	Amount	Share option and warrant reserve	Shares to be issued	Contributed surplus	Deficit	AOCI	NCI	Total
		$	$	$		$	$	$	$
Balance as at December 31, 2017	**137,783,440**	**21,032,716**	**1,927,107**	**765,382**	**-**	**(16,750,458)**	**(419,879)**	**1,213,276**	**7,768,144**
Shares issued pursuant to private placement	7,785,800	1,557,160	-	(765,382)	-	-	-	-	791,778
Share-based payments	-	-	378,862	-	-	-	-	-	378,862
Loss for the period	-	-	-	-	-	(2,045,363)	-	(159,741)	(2,205,104)
Other comprehensive income for the period	-	-	-	-	-	-	128,003	36,951	164,954
Balance as at March 31, 2018	**145,569,240**	**22,589,876**	**2,305,969**	**-**	**-**	**(18,795,821)**	**(291,876)**	**1,090,486**	**6,898,634**
Balance as at December 31, 2018	**164,218,240**	**26,128,752**	**2,893,560**	**-**	**11,196,272**	**(26,893,508)**	**835,486**	**792,796**	**14,953,358**
Shares issued pursuant to private placement	-	-	-	5,105,070	-	-	-	-	5,105,070
Share issue costs	-	(2,781)	-	-	-	-	-	-	(2,781)
Share-based payments	-	-	60,005	-	-	-	-	-	60,005
Loss for the period	-	-	-	-	-	(1,091,030)	-	(128,459)	(2,049,489)
Other comprehensive loss for the period	-	-	-	-	-	-	(738,172)	(85,061)	(823,233)
Balance as at March 31, 2019	**164,218,240**	**26,125,971**	**2,953,565**	**5,105,070**	**11,196,272**	**(28,814,538)**	**97,314**	**579,276**	**17,242,930**

Para Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

	2019 $	2018 $
OPERATING ACTIVITES		
Loss for the period	(2,049,489)	(2,205,104)
Non-cash items:		
Gain on fair value of loan	(46,114)	(46,114)
Loss from revaluation of derivative	818,414	-
Depreciation	9,083	6,004
Interest expense	374,611	721,133
Share-based payments	60,005	378,862
Foreign currency exchange loss (gain)	(754,156)	393,686
Changes in non-cash working capital items:		
Short-term investment	3,383,216	-
Receivables	(220,573)	(9,610)
Prepaid expenses	(256,323)	(517,393)
Advance royalties	(6,115)	-
Inventory	(53,029)	-
Accounts payable and accrued liabilities	160,622	(20,531)
	1,466,266	(1,209,667)
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(72,810)	(80,755)
Mineral property costs	(6,386,376)	(672,158)
Purchase of equipment	(192,072)	(55,130)
	(6,651,257)	(808,043)
FINANCING ACTIVITIES		
Share issuance	-	791,778
Advances received for share issuance	5,105,070	-
Shares issuance costs	(2,781)	-
Proceeds from loans	-	1,906,050
	5,102,289	2,697,828
Foreign exchange effect on cash	-	-
INCREASE (DECREASE) IN CASH DURING THE PERIOD	(82,703)	680,118
CASH, BEGINNING OF THE PERIOD	389,446	104,233
CASH, END OF THE PERIOD	**306,743**	**784,351**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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 1000-840 Howe Street, Vancouver, British Columbia, Canada, V6Z 2M1 and its head office is 450-1090 Georgia Street, Vancouver, British Columbia, V6C 3V7.

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 considers 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 positive cash flows from operations. As at March 31, 2019, the Company had an accumulated deficit of $28,814,538 (2018 – $26,893,508). For the three months ended March 31, 2019, the Company incurred a loss of $2,049,489 (2018 – net loss of $2,040,150), had a positive cash flow from operations amounting to $1,466,266 (2018 – 1,588,529) and had a working capital deficit of $4,997,823 (2018 - $17,056,286). The Company will require additional financing, through various means including but not limited to equity financing and cash flow generated from operations, 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 and cash flow generated from operations. There is no assurance that the Company will be successful in raising the additional required funds or generate sufficient cash flow from operations to meet its financing needs.

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

Statement of compliance
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 financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018, 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 December 31, 2018 except as outlined below. These condensed interim consolidated financial statements were approved by the board of directors for use on May 28th 2019.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND STANDARDS NOT YET EFFECTIVE

The following accounting standards were adopted during the three months ended March 31, 2019:

IFRS 16, Leases
IFRS 16 was issued by the IASB in January 2016 and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees: leases of ’low-value’ assets (e.g., personal computers); and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from current accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

In transitioning to IFRS 16, a lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard’s transition provisions permit certain reliefs. The Company plans to adopt IFRS 16 using the modified retrospective approach, which means the cumulative impact of adoption will be recognized as at January 1, 2019 and comparatives will not be restated. The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

In 2018, the Company initiated a detailed impact assessment and implementation project which included reviewing contracts, aggregating data to support the evaluation of the accounting impacts and identifying where key accounting policy decisions were required. Work completed by the Company to date indicates the new leases standard is not expected to have a material effect on the consolidated financial statements. The Company's existing operating leases will be the main source of leases under the new standard.

(Unaudited - expressed in Canadian Dollars)

4. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2017.

5. PREPAIDS AND DEPOSITS

As at March 31, 2019 the Company's prepaid amounts consist of the following:

	March 31, 2019	December 31, 2018
	$	$
Investor relations	137,512	181,634
Advances to suppliers	56,601	183,578
Advances to mine contractor	672,768	246,984
Reclamation deposit	158,915	162,233
Other advances	28,353	29,230
Insurance	13,125	7,292
	1,067,274	**810,951**

6. MINERAL PROPERTIES

The Company's mineral properties balance consists solely of mines under construction.

As at March 31, 2019 the Company's mineral properties balance consisted of the following

	El Limon	North Otu	Gold Road	Total
	$	$	$	$
Balance, December 31, 2017	**18,822,359**	**1,332,531**	**-**	**15,189,475**
Development costs	5,254,429	-	2,369,839	5,246,110
Incidental revenues	(2,378,157)	-	-	(2,378,157)
Foreign exchange translation	1,306,794	127,689	447,732	1,882,215
Balance, December 31, 2018	**23,005,424**	**1,460,220**	**6,504,972**	**30,970,616**
Development costs	1,116,127	-	6,249,796	7,365,923
Incidental revenues	(854,472)	-	-	(854,472)
Foreign exchange translation	(327,444)	(22,544)	(101,070)	(451,058)
Balance, March 31, 2019	**22,939,635**	**1,437,676**	**12,653,698**	**37,031,009**

El Limon

As part of the acquisition of Colombia Milling ("CML") the Company acquired the El Limon gold mine held in Four Points Mining ("Four Points"). The mine is subject to a 3% NSR payable quarterly on gold production of at least 100 ton per day for 30 consecutive days, to a maximum of US$2,000,000. Upon reaching the US$2,000,000 NSR threshold, the NSR decreases to 0.05% payable to a maximum of US$1,000,000.

North Otu Properties

On July 7, 2016, the Company announced through its newly incorporated 100% Colombian subsidiary, Zara Holdings S.A.S. ("Zara"), that it had entered into a Definitive Agreement (the "Agreement") with OTU Gold Ltd ("OTU") to acquire certain mining titles, as well as several mining applications, which are located within the Republic of Colombia, (collectively the "North Otu Properties"). The acquisition of the mining titles was recorded as an asset acquisition at cost. The mining titles and application of the North Otu Properties are the only assets of Zara.

(Unaudited - expressed in Canadian Dollars)

The purchase of the North Otu Properties and the assignment and transfer to Zara of these properties includes all the rights and interests of OTU except for the rights pertaining to non-metallic minerals on the North Otu Properties. The purchase price is US$1,000,000 (the "Purchase Price") and will be paid to OTU as follows:

- US$500,000 non-refundable deposit (paid)
- US$250,000 payable July 7, 2017 (paid - $312,000)
- The issuance of 1,270,000 common shares of the Company. The shares were issued on September 9, 2016 and fair valued at $317,500

Additionally, Zara will pay a 2% NSR royalty from the sale of minerals produced from the North Otu Properties. The NSR will be calculated from the results of direct exploitation, through formalization contracts, or subcontracts of operations, or any figure that allows economic benefit as a result of the exploitation of minerals in these areas. Zara may, at its discretion at any time until June 28, 2021, reduce the NSR from 2% to 1%, paying the amount of US$1,000,000 to OTU. This amount will be constituted by US$750,000 in cash and US$250,000 by the issuance of that number of common shares of Para calculated based on the volume weighted average closing price of Para's shares on the Exchange for the five trading days immediately before reduction of the NSR.

7. EXPLORATION AND EVALUATION ASSETS

Tucumã gold project:

The Company owns a 100% interest in the Tucumã copper/gold exploration project, which is located in the Carajas metallogenic province in the State of Pará, Brazil. The annual fees for the concessions are approximately $16,500. 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.

	March 31, 2019	December 31, 2018
	$	$
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	2,241,832	1,741,450
Addition during the period		
Assays	-	-
Consulting	40,068	177,163
Field supplies	4,683	16,345
Licenses	12,979	19,890
Personnel	11,128	41,317
Project administration	2,282	11,195
Vehicle expenses	1,670	9,247
Foreign exchange on mineral property	69,646	225,225
Total additions during the period	142,456	500,382

(Unaudited - expressed in Canadian Dollars)

Total Acquisition Cost and Deferred Exploration Costs	**2,384,289**	**2,241,833**

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").

On December 30, 2016, the Company announced that it and Angra, its wholly owned Brazilian subsidiary, 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. The Company issued 1,250,000 common shares in connection with the settlement; the shares were fair valued at $337,500 and recorded as a loss on property settlement.

Gold Road Project
On April 4, 2018, the Company entered into option agreements to acquire parcels of land adjacent to the Gold Road mine. The terms of option agreements are shown below:

Agreement	Max Term (Years)	License Fee Year 1, US$	License Fee Year 2, US$	License Fee Year 3, US$	License Fee Year 4, US$	Termination Date	Purchase Price US$
United Western to Telluride	4	50,000	75,000	100,000	200,000	4/3/2022	4,179,535
Blue Ridge	3	5,000	5,000	5,000	n/a	4/3/2021	347,490
United Western Extension	3	5,000	5,000	5,000	n/a	4/3/2021	365,910
Gold Ore	3	5,000	5,000	5,000	n/a	4/3/2021	375,000
Gold Road	3	5,000	5,000	5,000	n/a	4/3/2021	240,000
Silver Creek	2	5,000	5,000	n/a	n/a	4/3/2020	327,000
United Western	15	10,000	10,000	10,000	10,000	8/22/2032	900,000
		85,000	**110,000**	**130,000**	**210,000**		**6,734,935**

The part of the option agreements cost includes up to 2,500,000 share purchase warrants of the Company, exercisable at the Company's discretion under a particular option agreement. No costs associated with the share purchase warrants were recognized in the consolidated financial statements because it is conditional upon exercise of option agreement(s) and the management cannot reliably estimate whether such options will be exercised and, if exercised, a number of share purchase warrants exercised.

The Company paid the license fees of $102,315 (US$75,000 equivalent) on April 4, 2018. The Company incurred exploration and evaluation costs of $15,542 (US$7,342) during the three months ended March 31, 2019.

(Unaudited - expressed in Canadian Dollars)

8. PLANT AND EQUIPMENT

	Buildings and construction	Machinery	Office equipment	Vehicles	Construction in progress	Total
Cost	**$**	**$**	**$**	**$**		**$**
December 31, 2017	**825,498**	**9,122,020**	**77,304**	**103,696**	**-**	**10,128,518**
Additions	6,326	289,786	9,637	116,004	410,993	832,748
Transfers	-	207,892	-	19,043	(226,935)	-
Transfers*	3,095,479	(3,434,445)	10,663	328,303	-	-
Write-off	-	(148,462)	(1,813)	(3,315)		(153,591)
Foreign exchange	327,839	500,604	8,113	47,233	15,401	899,190
December 31, 2018	**4,255,142**	**6,537,395**	**103,904**	**610,964**	**199,459**	**11,706,865**
Additions	154,101	5,501	854	27,193	4,422	192,072
Transfers	121,444	-	-	-	(121,444)	-
Foreign exchange	(90,210)	(133,788)	(2,187)	(12,813	(1,714)	(240,723)
March 31, 2019	**4,440,469**	**6,409,108**	**102,571**	**625,344**	**80,722**	**11,658,214**

	Buildings and construction	Machinery	Office equipment	Vehicles	Construction in progress	Total
Accumulated Depreciation	**$**	**$**	**$**	**$**		**$**
December 31, 2017	**54,863**	**455,149**	**26,337**	**31,707**		**568,056**
Depreciation	40,531	468,013	14,220	17,579	-	540,343
Write-off	-	(108,799)	(1,813)	(3,315)	-	(113,927)
Foreign exchange	6,067	51,792	2,015	3,374	-	62,797
December 31, 2018	**101,461**	**866,155**	**40,759**	**48,895**	**-**	**1,057,269**
Depreciation	9,414	115,661	3,061	5,917	-	134,053
Foreign exchange	(2,355)	(20,855)	(931)	(1,164)	-	(25,205)
March 31, 2019	**108,519**	**960,961**	**42,889**	**53,648**	**-**	**1,166,017**
Net Book Value						
December 31, 2018	**4,153,683**	**5,671,240**	**63,145**	**562,069**	**199,459**	**10,649,596**
March 31, 2019	**4,331,950**	**5,448,147**	**59,681**	**571,597**	**80,722**	**10,492,197**

During the three months ended March 31, 2019, $125,075 (2018 - $72,160) of depreciation was capitalized to mineral properties and $8,978 (2018 - $6,004) was recorded as depreciation expense.

9. RELATED PARTY TRANSACTIONS

All amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment unless otherwise stated. Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties. The Company paid or accrued remunerations to its directors and officers during the three months ended March 31, 2019 and March 31, 2018 are as follows:

(Unaudited - expressed in Canadian Dollars)

	March 31, 2019 $	**March 31, 2018 $**
Consulting fees	78,140	66,243
Share-based payments	9,373	378,862
Salaries and benefits	184,150	157,727
	271,663	603,832

As at March 31, 2019 the Company had $39,390 (2018 - $39,390) in amounts owing to related parties These amounts were loaned to the Company and consisted of the following:

- $4,739 (2018 - $4,739) was owing to a private company controlled by the executive, the amount owing bear interest at 1% per month, compounded monthly and due on demand. During the three months ended March 31, 2019 the Company also paid $11,775 of office rent to a Company controlled by CEO (2018 - $nil).
- $19,199 (2018 - $19,199) was owing to Goldsource Mines Inc., a company with common directors and officers.
- $23,252 (2018 - $23,252) was owing to a private company which is controlled by the director of the Company.
- $7,800 (2018 - $7,800) owed to the Company by a private entity controlled by CEO.

$230,450 (2018 - $217,693) was due to the executive and director of the Company, the amounts owing are non-interest bearing and due on demand. This amount is included in accounts payable and accrued liabilities. The Company prepaid a consulting fee of $28,429 for administrative services to a private company controlled by the executive as at March 31, 2019.

10. LOANS

a) Convertible Subordinated Note

On August 3, 2018, the Company restructured the Conex loans, Conterra loan and Gold secured loan, whereby all outstanding loans and accrued interest, previously made to the Company and to its subsidiary Gold Road were converted into a five-year Convertible Subordinated Note, convertible into common shares of the Company. The face value of the convertible subordinated note is $11,996,078. The interest is compounded monthly at 12% and principal and compounded interest are repayable at the end of the term to Conex Services Inc., a related party. The principal may be converted into common shares of the Company at the following conversion prices:

- Between months 1-36 at $0.30 per common share
- Between months 37-60 at $0.40 per common share

On December 21, 2018, the Company restructured the remaining balance of the Conex loans.
The Company recognized a loss of $242,745 from debt extinguishment, which is included in loss from debt settlement in the statement of loss, due to transaction costs of $37,880 incurred and difference in value of loan extinguished and value of loan assumed.

(Unaudited - expressed in Canadian Dollars)

	Conex Loans	Conterra Loan	Gold Secured Loan	Total
	$	$	$	$
Balance, December 31, 2017	**4,367,781**	**3,930,699**	**1,254,500**	**9,552,980**
Additions	1,101,460	-	-	1,101,460
Interest and accretion	654,505	297,750	-	952,255
Foreign exchange on translation	-	140,718	43,800	184,518
Fair value of the convertible subordinated note	(6,328,611)	(4,369,167)	(1,298,300)	(11,996,078)
Loss from debt extinguishment	204,865	-	-	204,865
Balance, December 31, 2018	**-**	**-**	**-**	**-**

Management used an effective interest rate of 24% to estimate the present value of a liability component ($6,715,636) of the convertible subordinated note, the residual value of $5,280,442 was classified as a contributed surplus on the statement of financial position. The tax impact of $1,425,719 was recorded against the contributed surplus, see Note 19 for more details. The loan balances and changes up to March 31, 2019 were as follows:

	$
Balance, December 31, 2017	**-**
Additions	6,715,636
Interest	582,144
Balance, December 31, 2018	**7,297,780**
Interest	374,611
Balance, March 31, 2019	**7,672,391**

Conex Loans
During the 15 months ended December 31, 2017 the Company received additional loans from Conex in the amount of $535,650; the loans are repayable on December 31, 2019 and bear interest at 12% per annum. There were no financing costs associated with the loans. The Company fair valued the loans using a discounted cash flow model using a discount rate of 24.5 percent, the loan was recorded at a fair value of $451,934 and the Company recorded a $83,716 gain on the fair value of the loan. On January 28, 2017 Conex increased the facility to a maximum of $5,000,000 for no additional consideration.

During the year ended December 31, 2018 the Company received an additional $1,101,460 of loans from Conex.

Conterra Loan
On August 4, 2017 the Company, through its wholly owned subsidiary Gold Road, entered into a loan agreement for US$2,000,000 with an annual interest rate of 12%, maturing on August 4, 2019. The Company received an additional US$1,000,000 on October 16, 2017 with an annual interest rate of 12%, maturing on August 4, 2019. The Company fair valued the loans at US$2,457,511 using a 24.5% discount rate.

(Unaudited - expressed in Canadian Dollars)

Gold Secured Loan
On December 15, 2016 the Company entered into a Gold Secured Loan ("Gold Loan") in the amount of US$1,000,000 to be repaid over 12 months in gold deliveries commencing September 15, 2017. As per the terms of the agreement the Company will deliver 104 ounces of gold at each delivery date, assuming a gold price of $1,160, or the cash equivalent. The amount of each gold delivery will be based on the closing gold price at each delivery date and therefore the lender will not be exposed to any future gold price fluctuations. During the period ended December 31, 2017, the Company entered into an amended agreement to extend the gold repayments from September 15, 2017 to September 15, 2018.

Gold secured loan by a) a first priority security interest over the El Limon mine, concessions and property and equipment, b) pledge from Para Resources, the Guarantor, over its shares of the CML, the Borrower, c) any other security as may be reasonably required by Conex Services Inc., the Lender.

b) Helm Bank and Rayforte Loans

On April 1, 2018, the Helm Bank and the Rayforte loans, which were outstanding as at December 31, 2017, were by agreement settled with a minority shareholder in Four Points. As creditor was acting in the capacity of shareholder, the outstanding carrying amounts were transferred to equity. The loan balances and changes up to the date of debt settlement were as follows:

	Helm Bank Loan	Rayforte Loan	Total
	$	$	$
Balance, December 31, 2017	**5,752,419**	**1,331,418**	**7,083,837**
Interest and accretion	55,335	99,702	155,037
Foreign exchange on translation	106,616	(3,941)	102,675
Transfer of the outstanding carrying amount to equity	(5,914,370)	(1,427,179)	(7,341,549)
Balance, December 31, 2018	**-**	**-**	**-**

As at December 31, 2017, Four Points had an outstanding interest-bearing loan of US$3,500,000 with the Helm Bank Colombia with a 5% annual interest rate and is due on demand.

Upon completing the acquisition of CML the Company assumed its loan payable to Rayforte of US$960,623 with an interest rate of 3% and an April 1, 2018 maturity date. The Company fair valued the loan using an effective interest of 24.5%.

c) Redrock Resources Loan

As part of the consideration paid by CML to acquire Four Points, CML issued a promissory note for US$1,000,000 with an annual interest rate of 5% payable on May 15, 2018. The Company valued the loan using an effective interest of 24.5%. The Company repaid $1,026,163 for cash ($526,163) and the issuance of 2,500,000 of shares ($500,000) during the year ended December 31, 2018 to settle the debt, the Company recorded a gain of $80,536 on the debt settlement. The loan payable at December 31, 2018 and December 31, 2017 and the changes for the periods then ended are as follows:

(Unaudited - expressed in Canadian Dollars)

	$
Balance, December 31, 2017	**961,845**
Interest and accretion	106,406
Foreign exchange on translation of loan	38,448
Payment	(1,026,163)
Gain on debt settlement	(80,536)
Balance, December 31, 2018	**-**

d) Gold Road Loan

On August 23, 2017, as part of the consideration for the Gold Road Mine acquisition the Company issued a US$6,000,000 promissory note with annual principal repayments of US$1,000,000 maturing on August 23, 2023. Interest on the loan is only accrued if the Company defaults on a payment, at which time the interest rate would be 10% per annum. The Company measured the note using a discount rate of 10% and determined the value to be US$4,354,577 ($5,465,865). The Company repaid the note on August 3, 2018 and recognized a loss of $631,404. The loan payable at December 31, 2018 and December 31, 2017 and the changes for the periods then ended are as follows:

	$
Balance, December 31, 2017	**5,586,234**
Interest and accretion	206,242
Foreign exchange on translation of loan	197,450
Loss on debt settlement	631,404
Repayment	(6,621,330)
Balance, December 31, 2018	**-**

11. PRE-PAID FORWARD GOLD PURCHASE LIABILITY

On August 3 ,2018, the Company, along with its subsidiaries, Z79 Gold (USA) Corp. and Gold Road Mining Corp. (collectively, “Sellers”) entered into a pre-paid forward gold purchase agreement (the “PPG Agreement”), with PPG Arizona Holdings LP, an entity affiliated with Pandion Mine Finance LP (“Pandion” or “Buyer”). Under the PPG Agreement, Pandion advanced US$14,450,000 (equivalent of $18,860,140) (the “Gold Prepayment Amount”) to the Company, as pre-payment for the purchase of 44,100 ounces of gold from Para and its subsidiaries (the “Gold Financing”). No gold is required to be delivered by the Company during the first 12 months. Pandion would pay to the Company, together with each delivery of gold, an amount per ounce of gold equal to the market price at the time, less a specified discount of US$500. During the term of the PPG Agreement, Pandion also participates in the upside of any increase in the price of gold. Pandion may elect to reduce the Contract Quantity by up to 2,000 ounces in exchange for the issuance of up to 6,352,683 common shares of the Company. Under the terms of the PPG Agreement, the Company’s obligations are secured by a first priority charge in favour of Pandion on all the assets of the Company and its subsidiary companies, Z79 Gold (USA) Corp., Gold Road Mining Corp., as well as pledges of the shares of Z79 Gold (USA) Corp. and Gold Road Mining Corp.

The use of proceeds of the gold prepayment amount under the PPG Agreement was to finance (i) re-payment of US$5,100,000 to Mojave Desert Minerals, LLC to extinguish the secured notes used in the acquisition of the Gold Road mine and processing facility in Arizona, U.S.A., (ii) the development and restart of the Gold Road mine, (iii) general working capital, and (iv) the payment of certain outstanding liabilities and/or debt of Para.

(Unaudited - expressed in Canadian Dollars)

Pandion has an option to extend the term of financing from 54 to 66 months and an option to pay an additional prepayment amount up to US$5,550,000 in exchange for an additional tranche of gold quantities in its sole discretion.

PPG Arizona Holdings LP as lender withheld US$450,000 from Para in satisfaction of the non-refundable origination fee. This non-refundable origination fee along with other transaction costs incurred were expensed during the year ended December 31, 2018 and classified as financing expense in the consolidated statement of loss and comprehensive loss.

The Gold Prepayment agreements contains the following provisions which causes the contract to fail the own use exemption under IAS 32 – Financial instruments: presentation and accordingly the contract is accounted for as a derivative: liability and measured at fair value through profit and loss.

- Upside participation amount whereby Pandion participates in a portion of the upside of an increase in the price of gold; and
- Contract quantity exchange option whereby Pandion can elect to reduce the quantity of ounces to be delivered by up to 2,000 ounces on a pro-rata basis in exchange for 6,352,683 shares of Para, exercisable in increments of 100 ounces per 317,635 shares of the Company.

The derivative liability was initially recorded at fair value based on the value of the consideration paid to Pandion. The derivative liability is subsequently measured at fair value based on changes in the above provisions (upside participation and contract exchange amount) and outstanding prepayment amount using an implied discount rate of 23% with changes in fair value recognized in the consolidated statement of loss and comprehensive loss. The amount of the change in the fair value of the financial liability that is attributable to changes in credit risk is $Nil as the credit risk of the Company did not change between August 31, 2018 and March 31, 2019.

The pre-paid forward gold purchase liability balance and changes during the three months ended March 31, 2019 and the year ended December 31, 2018 are as follows:

	$
Balance, December 31, 2017	**-**
Additions	18,860,140
Loss on revaluation of derivative	1,340,841
Foreign exchange translation	968,600
Balance, December 31, 2018	**21,169,581**
Loss on revaluation of derivative	818,414
Foreign exchange translation	(449,997)
Balance, March 31, 2019	**21,537,998**
Less: Current portion	(5,384,500)
Non-current portion	**16,153,498**

(Unaudited - expressed in Canadian Dollars)

12. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

On February 15, 2018, the Company closed a non-brokered private placement (the "Private Placement") for total gross proceeds of $1,557,160.

The Private Placement consisted of 7,785,800 units at a price of $0.20 per unit (each a "Unit"). Each Unit is comprised of one common share of the Company and one-half common share purchase warrant (each whole such warrant a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company for a period of 18 months at a price of $0.30, subject to an accelerated expiry if the closing trading price of the Company's shares is greater than $0.40 for a period of 10 consecutive trading days. The Company fair valued the warrants at $nil using the residual method, first allocating value to the common shares.

On June 5, 2018, the Company closed the first tranche of a non-brokered private placement consisting of 14,049,000 units (each a "PP Unit") at $0.20 per PP Unit for gross proceeds of $2,809,800. On June 29, 2018, the Company closed the second tranche consisting of 3,025,000 PP Units at $0.20 per PP Unit for gross proceeds of $605,000. Each PP Unit consists of one common share of the Company and one share purchase warrant. Each warrant is exercisable for a period of 3 years from the date of issuance at an exercise price of $0.30, subject to certain acceleration clauses. The Company fair valued the warrants at $60,500 using the residual method, first allocating value to the Common shares. The Company incurred cash financing costs of $57,269.

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 10 percent of the issued and outstanding common shares exercisable for a period not to exceed five years from the Company's listing date. The Company's stock options outstanding as at March 31, 2019 and December 31, 2018 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, December 31, 2018	11,240,000	0.21	2.97
Granted	210,000	0.15	3.98
Balance, March 31, 2019	**11,450,000**	**0.22**	**2.72**

During the three months ended March 31, 2019 the Company issued 210,000 (the three months ended 2018 – 2,000,000) options to employees with various vesting terms. The Company fair valued the options using the Black-Scholes option pricing model using the following inputs:

(Unaudited - expressed in Canadian Dollars)

	2019	2018
Risk free rate	1.48-1.90%	2.04%
Expected life	5 years	5 years
Expected volatility	112-144%	131%
Forfeiture rate	Nil	Nil
Expected dividends	Nil	Nil

Stock options outstanding and exercisable at March 31, 2019 are as follows:

Number of Options	Exercise Price, $	Expiry Date
2,000,000	0.22	October 28, 2019
340,000	0.20	December 19, 2019
600,000	0.05	December 30, 2019
300,000	0.25	July 1, 2020
925,000	0.09	January 28, 2021
800,000	0.22	October 28, 2021
300,000	0.18	January 10, 2022
858,333	0.15	December 14, 2022
2,000,000	0.23	February 23, 2023
250,000	0.23	May 10, 2023
1,000,000	0.30	July 3, 2023
66,666	0.15	December 19, 2023
10,000	0.19	March 22, 2024
9,449,999	0.22	

Warrants
The Company’s warrants outstanding as at March 31, 2019 and December 31, 2018 and the changes for the three months ended March 31, 2019 are as follows:

	Number of Warrants	Exercise Price $
Balance, December 31, 2018	25,055,900	0.29
Issued	175,214	0.30
Balance, March 31, 2019	25,231,114	0.29

Warrants outstanding as at March 31, 2019 were as follows:

(Unaudited - expressed in Canadian Dollars)

Expiry Date	Exercise Price $	Outstanding Warrants
August 16, 2019	0.30	3,892,900
June 5, 2021	0.30	14,049,000
June 28, 2021	0.30	3,025,000
July 11, 2021	0.30	1,764,214
April 4, 2023	0.20	2,500,000
		25,231,114

Weighted average remaining contractual life is 2.12 years.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

To date, the Company has depended on external financing to fund its activities. The capital structure of the Company currently consists of equity attributable to shareholders of $16,663,654 (December 31, 2018 – $14,160,562). The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews its capital management approach on a regular basis and there have been no changes to the Company's approach during the three months ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

14. SEGMENTED DISCLOSURE

The Company has identified the following operating segments: the Colombian mines under development consisting of El Limon and North Otu, Gold Road property as mine under development and exploration and evaluation assets. The performance of the Company's operating segments for the three months ended March 31, 2019 and 2018 and the balances then ended are as follows.

As at and for the three months ended March 31, 2019:

	Colombian Mines	Gold Road	Exploration and evaluation	Corporate and other	Total
	$	$	$	$	$
Net income (loss)	(101,736)	(1,084,500)	(15,808)	(847,445)	(2,049,489)
Total assets	31,045,134	18,758,306	2,489,651	391,894	52,684,985
Total liabilities	(5,082,251)	(617,214)	(67,522)	(29,675,068)	(35,442,055)

(Unaudited - expressed in Canadian Dollars)

As at and for the three months ended March 31, 2018:

	Colombian Mines	Gold Road	Exploration and evaluation	Corporate and other	Total
	$	$	$	$	$
Net loss	(388,510)	(683,685)	-	(1,132,909)	(2,205,104)
Total assets	27,843,739	8,625,292	1,884,222	818,700	39,171,954
Total liabilities	(11,012,828)	(10,499,445)	(36,669)	(10,724,378)	(32,273,320)

SUBSEQUENT EVENTS

On April 10th, 2019, Vancouver, B.C.— Para Resources, Inc. (the “Company” or “Para”) (TSXV – “PBR”) (WKN – “A14YF1”) (OTC – “PRSRF”) announced an initial exploration plan for the Tr-Ue Vein near Oatman, Arizona and approximately 1.5 miles from the Gold Road mill and mine. The program, anticipated to begin in May, will start with the first phase of approximately 5 holes totaling 3,750 feet in conjunction with a geophysics program to orient future drilling.