PARA RESOURCES INC.

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

For the Three and Nine Months Ended May 31, 2016 and May 31, 2015

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, 2016 $**	**August 31, 2015 $**
ASSETS			
Current assets			
Cash		764,526	22,882
Receivables		60,814	10,178
Inventory		263,228	-
Prepaids		1,035,008	13,250
Total current assets		2,123,576	46,310
Non-current assets			
Deferred acquisition cost	4	583,212	756,582
El Limon	4,6	11,289,030	-
Exploration and evaluation assets	5	1,353,276	1,074,695
Equipment	4	1,539,361	
Total non-current assets		14,764,879	1,831,277
TOTAL ASSETS		16,888,455	1,877,587
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		1,971,369	201,600
Due to related parties	11	62,743	291,012
Loan - SAEF	4,13	226,686	-
Loans payable	7	3,099,893	1,978,067
		5,360,691	2,470,679
Loan Redrock Resources	9	1,380,959	-
Loan Helm bank	8	5,663,045	-
		7,044,004	-
TOTAL LIABILITIES		12,404,695	2,470,679
EQUITY (DEFICIT)			
Share capital	10	8,118,539	2,771,654
Shares to be issued	10	178,511	-
Share option and warrant reserve	10	694,848	301,482
Contributed surplus		3,146,108	3,146,108
Deficit		(9,257,194)	(6,788,526)
Accumulated other comprehensive (loss)		(564)	(23,810)
Equity attributable to shareholders		2,880,248	(593,092)
Non-controlling interest	4	1,603,512	-
		4,483,760	(593,092)
TOTAL LIABILITIES AND EQUITY (DEFICIT)		16,888,455	1,877,587

Para Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended May 31, 2016 and May 31, 2015
(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended May 31, 2016 $	Three months ended May 31, 2015 $	Nine months ended May 31, 2016 $	Nine months ended May 31, 2015 $
Expenses					
Business investigation	4	14,122	-	224,812	-
Consulting	11	377,133	30,000	641,383	90,000
Depreciation		34,165	-	34,165	-
Office and miscellaneous	11	67,535	47,661	209,587	78,321
Professional fees	11	33,602	4,536	160,460	67,644
Regulatory and other filing fees		17,319	2,671	59,019	22,970
Salaries		203,201	-	203,201	-
Share-based compensation	10	-	-	72,608	32,412
Loss before other items		(747,077)	(84,868)	(1,605,235)	(291,347)
Credit facility inducement		(704,000)	-	(704,000)	-
Interest expense	7,8,9	(147,384)	(50,210)	(359,134)	(53,529)
(Loss) gain on debt settlement		(529,535)	-	28,005	-
Net loss for the period		(2,127,996)	(135,078)	(2,640,364)	(344,876)
Other Comprehensive Income (Loss)					
Items that may be reclassified subsequently to profit or loss:					
Gain (loss) on translating foreign operations		36,561	(122,585)	37,310	(205,959)
Net Loss and Comprehensive Loss for the period		**(2,091,435)**	**(257,663)**	**(2,603,054)**	**(550,835)**
Loss for the period attributable to:					
Shareholders		(1,956,300)	(257,663)	(2,468,668)	(550,835)
Non-controlling interest		(171,696)	-	(171,696)	-
		(2,127,996)	(257,663)	(2,640,364)	(550,835)
Comprehensive loss for the period attributable to:					
Shareholders		(1,933,802)	(257,663)	(2,445,421)	(550,835)
Non-controlling interest		(157,633)	-	(157,633)	-
		(2,091,435)	(257,663)	(2,603,054)	(550,835)
Basic and Diluted Loss per Common Share		(0.03)	(0.01)	(0.06)	(0.01)
Weighted Average Number of Common Shares Outstanding		61,889,978	25,923,825	42,316,105	25,438,251

Para Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three and Nine Months Ended May 31, 2016 and May 31, 2015
(Unaudited - expressed in Canadian Dollars)

	Share Capital								
	Number of Shares	Amount	Share option and warrant reserve	Contributed Surplus	Shares to be issued	Deficit	AOCI	NCI	Total
		$	$	$		$	$		$
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 payments on options granted	-	-	32,412	-	-	-	-	-	32,412
Net loss for the period	-	-	-	-	-	(344,876)	-	-	(344,876)
Other comprehensive loss for the period	-	-	-	-	-	-	(205,959)	-	(205,959)
Balance, May 31, 2015	25,923,825	2,771,654	294,279	3,146,108	-	(6,239,430)	(181,369)	-	(208,758)
Share-based payments on options granted	-	-	7,203	-	-	-	-	-	7,203
Net loss for the period	-	-	-	-	-	(549,096)	-	-	(549,096)
Other comprehensive income for the period	-	-	-	-	-	-	157,559	-	157,559
Balance as at August 31, 2015	25,923,825	2,771,654	301,482	3,146,108	-	(6,788,526)	(23,810)	-	(593,092)
Shares issued pursuant to private placement, net of issue costs	35,928,333	4,196,238	46,777	-	-	-	-	-	4,243,015
Bonus shares issued for credit facility	2,200,000	704,000	-	-	-	-	-	-	704,000
Shares to be issued	-	-	-	-	178,511	-	-	-	178,511
Warrant valuation	-	(310,500)	310,500	-	-	-	-	-	-
Shares issued pursuant to warrant exercise	6,420,880	642,088	-	-	-	-	-	-	642,088
Shares issued pursuant to option exercise	995,400	78,540	-	-	-	-	-	-	78,540
Transfer value on option exercise	-	36,519	(36,519)	-	-	-	-	-	-
Share-based payments on options granted	-	-	72,608	-	-	-	-	-	72,608
Acquisition of Colombia Milling	-	-	-	-	-	-	-	1,761,144	1,761,144
Net loss for the period	-	-	-	-	-	(2,468,668)	-	(171,696)	(2,640,364)
Other comprehensive income for the period	-	-	-	-	-	-	23,246	14,064	37,310
Balance as at May 31, 2016	71,468,438	8,118,539	694,848	3,146,108	178,511	(9,257,194)	(564)	1,603,512	4,483,760

Para Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended May 31, 2016 and May 31, 2015
(Unaudited - expressed in Canadian Dollars)

	2016 $	2015 $
OPERATING ACTIVITES		
Net Loss for the period	(2,640,364)	(344,876)
Non-cash items:		
Share-based compensation	72,608	32,412
Gain on debt-settlement	(28,005)	-
Credit facility inducement	704,000	-
Depreciation	34,165	-
Interest on loan	353,929	53,391
Changes in non-cash working capital items:		
Receivables	(50,636)	19,105
Prepaid expenses	(139,300)	-
Accounts payable and accrued liabilities	(497,750)	62,747
Due from related parties	(34,792)	(87,108)
	(2,226,145)	(264,329)
FINANCING ACTIVITIES		
Issuance of shares, net of issue costs	4,963,643	-
Shares to be issued	178,511	-
Loans payable	627,598	1,201,893
	5,769,752	1,201,893
INVESTING ACTIVITIES		
Cash acquired on acquisition of Colombia Milling Ltd.	294,546	-
Cash paid to acquire CML	(2,243,518)	-
Deferred acquisition cost	(359,813)	(497,987)
Expenditures on exploration and evaluation assets	(395,238)	(380,036)
Purchase of equipment	(104,910)	
	(2,808,933)	(878,023)
Foreign exchange effect on cash	6,970	(20,317)
INCREASE (DECREASE) IN CASH DURING THE PERIOD	741,644	39,224
CASH, BEGINNING OF THE PERIOD	22,882	83,153
CASH, END OF THE PERIOD	764,526	122,377
Non-cash items excluded from financing activities		
Bonus-shares issued for loan payable	704,000	64,143
Shares issued to settle debt	2,137,733	-

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 1090 West Georgia Street, Vancouver, British Columbia, V6E 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 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, 2016, the Company had an accumulated deficit of $9,257,194 (August 31, 2015 – $6,788,526). For the Nine months ended May 31, 2016 the Company incurred a loss of $2,640,364(May 31, 2015 - $344,876), had negative cash flow from operations amounting to $2,226,145 (May 31, 2015 – $170,962) and had a working capital deficiency of $3,237,115 (August 31, 2015 - $2,424,369). 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, 2015, 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, 2015 except as outlined in Note 3. These financial statements were approved by the board of directors for use on July 27, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting standards development
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.
- IFRS 15*, Revenue from Contracts with Customers*, was issued in May 2014 and establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The required adoption date for IFRS 15 is the annual period beginning on or after January 1, 2018, with early adoption permitted. The Company has not completed its assessment of the impact of this standard.

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 agreed, subject to certain conditions including 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 would 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 (paid) in preliminary exploration expenditures on Ojos Negros (the "Initial Expenditures")
- Within 60 days of completion of the Initial Expenditures, 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.

Upon completion of due diligence the Company decided to abandon the option and as at August 31, 2015 the Company wrote-off $296,461 of deferred acquisition costs. All costs related to Ojos Negros during the Nine months ended May 31, 2016 were expensed as business investigation costs.

Colombia Milling:
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)
- Five payments of USD $100,000, no later than the first day of each of the months commencing July 1, 2015 (paid) to November 1, 2015 (paid), inclusive.
- The Company may decide to increase its ownership of Colombia Milling to 45%, wherein its contribution will increase to $1,350,000 (paid)

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 $320,000, bringing their interest in the Property to approximately 61%. CML increased its interest in the El Limon Mine to 68% at May 31, 2016 by providing additional contributions.

The original agreement has since been amended to further increase the Company's potential share in Colombia Milling. On January 13, 2016 the Company announced that it had signed Letters of Intent to acquire the 33.71% interest in Colombia Milling owned by James Randall Martin ("Martin") and the 16.20% interest in CML held by SAEF Exploration Inc. ("SAEF"), increasing the Company's ownership of Colombia Milling to 100%. The acquisition of 100% of the shares of Colombia will bring the Company's total indirect interest in the El Limon Mine to 68.2%.

The terms of the agreement with SAEF are as follows:

- Cash consideration of USD$250,000 at closing (paid)
- An unsecured note in the amount of USD$170,000, payable six months from the closing date, along with accrued interest at a rate of 7% per annum. (issued)

The terms of the agreement with Martin are as follows:

- The Company will issue 13,213,340 units at a deemed price of $0.09 per unit, each unit consists of one common share of the Company and one half of one share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company for a period of 18 months from the date of issuance at an exercise price of $0.20 per share.

On March 31, 2016 the Company's ownership of CML increased to 63% giving the Company control over CML and Four Points. The transaction was accounted for as a business combination rather than an asset acquisition. The consideration paid was allocated to the assets of CML and Four Points at the date of acquisition and the transaction costs were expensed to the consolidated statement of comprehensive loss.

(Unaudited - expressed in Canadian Dollars)

The purchase price of $2,998,705 was determined as the amounts forwarded to CML to receive 63% of the outstanding shares of CML. The purchase price was allocated as follows:

Purchase Price Allocation	**$**
Cash	294,546
Prepaids	930,728
Inventory	214,958
El Limon mine	11,057,932
Equipment	1,483,196
Liabilities	(9,221,511)
Non-controlling interest	(1,761,144)
	2,998,705

The operating results for both CML and Four points have been recognized in the consolidated statement of comprehensive loss beginning on March 31, 2016, the effective date of control.

Subsequent to May 31, 2016 the Company completed its acquisition of 100% of CML as detailed above, as at May 31, 2016 the Company had $583,211 in deferred acquisitions costs related to the acquisition of CML.

(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, 2016	August 31 , 2015
	$	$
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	1,074,694	532,995
Addition during the period		
Assays	3,840	20,262
Consulting	118,791	177,415
Drilling	-	118,300
Environmental	-	4,355
Field supplies	54,926	85,834
Licenses	3,775	20,827
Miscellaneous	414	722
Personnel	33,094	16,796
Project administration	38,656	109,370
Vehicle expenses	25,085	50,263
Foreign exchange on mineral property	-	(62,445)
Total additions during the period	278,581	541,699
	1,353,275	1,074,694
Balance, end of the period	**1,353,276**	**1,074,695**

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. EL LIMON MINE

As part of the acquisition of CML the Company acquired the El Limon gold mine held in 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 USD$2,000,000. Upon reaching the USD$2,000,000 NSR threshold, the NSR decreases to 0.05% payable to a maximum of USD$1,000,000.

Additionally, as part of the acquisition cost the Company is required to make a payment of USD$175,000 on August 13, 2016.

As at May 31, 2016 the El Limon balance consisted of the following:

	$
Balance August 31, 2015	-
Acquisition of CML	11,057,932
Cash acquisition costs	65,500
Foreign exchange translation	(114,441)
Balance May 31, 2016	11,289,030

7. LOAN PAYABLE AND CREDIT FACILITY

During the year ended August 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 each tranche has a term of 12 months from the date of the advance, bearing interest at 1% per month. As part of the 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 the Company will amortize the cost using an effective interest rate of 30.1%. As at May 31, 2016 the Company has accrued interest of $48,178.

Conex has continued to provide additional loans to the Company with the same terms as the above mentioned loan. As at May 31, 2016, the Company had additional outstanding loans payable to Conex in the amount of $2,694,796. The additional funds were used to pursue different business opportunities (Note 4). As at May 31, 2016 the Company has accrued interest of $106,919.

On March 31, 2016 the Company entered into a Credit Facility Agreement (the “facility”) with Conex, whereby Conex has made available to the Company a revolving credit line in the amount of up to $3,000,000. The facility bears interest at 12% annually and each drawdown on the facility will be secured by a promissory note in favour of Conex. As additional consideration for the facility the Company will issue a bonus equal to 20% of the principal amount of each drawdown, payable by common shares of the Company, at a deemed price equivalent to the last closing price of the Company’s common shares on the TSX-V. The Company issued 2,200,000 bonus common shares for the credit facility; the shares were fair valued at $704,000 and recorded as a credit facility inducement expense.

(Unaudited - expressed in Canadian Dollars)

8. HELM BANK LOAN

As at May 31, 2016 Four Points had an outstanding interest bearing loan of USD$3,500,000 with the Helm Bank Colombia with a 5% annual interest rate. As at May 31, 2016 the Company has accrued interest payable of USD$822,935.

	$
Balance, August 31, 2015	-
Loan assumed on acquisition of CML	5,569,437
Interest	37,577
Foreign exchange on translation of loan	56,031
Balance, May 31, 2016	5,663,045

9. LOAN PAYABLE REDROCK RESOURCES

As part of the consideration paid by CML to acquire Four Points, CML issued a promissory note for USD $1,000,000 with an annual interest rate of 5% payable on April 30, 2018. As at May 31, 2016 the Company has accrued interest payable of USD $54,167.

	$
Balance, August 31, 2015	-
Loan assumed on acquisition of CML	1,356,550
Interest	10,918
Foreign exchange on translation of loan	13,491
Balance, May 31, 2016	1,380,959

10. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Financings during the Nine months ended May 31, 2016 are as follows:

- On December 8, 2015 the Company issued 4,619,999 units at $0.12 per unit for gross proceeds of $554,400. Each unit consists of one common share of the Company and one half-warrant, with each full warrant entitling the holder to acquire one common share of the Company at a price of $0.18 for a period of 18 months from their date of issuance. The Company fair valued the warrants at $46,200 using the residual method. The Company issued 87,000 finders warrants that were fair valued at $5,005 using an option pricing model. The assumptions used were; Risk free rate of 0.48%; volatility 143%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years.
- On January 29, 2016 the Company issued 24,430,000 units at $0.12 per unit for gross proceeds of $2,931,600. Each unit consists of one common share of the Company and one half-warrant, with each full warrant entitling the holder to acquire one common share of the Company at a price of $0.18 for a period of 18 months from their date of issuance. The Company fair valued the warrants at $244,300 using the residual method..
- On February 22, 2016 the Company issued 500,000 units at $0.12 per unit for gross proceeds of $60,000. The units were identical to those issued on December 8, 2015 and the warrants were fair valued at $20,000 using the residual method. The Company issued 20,000 finders warrants that were fair valued at $722 using an option pricing model. The assumptions used were; Risk free rate of 0.45%; volatility 141%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years.

(Unaudited - expressed in Canadian Dollars)

- The Company incurred 29,334 of cash issue costs.
- On March 17, 2016 the Company closed its previously announced private placement issuing 6,378,332 units at $0.12 per unit for gross proceeds of $765,400. Each unit consisted of on common share of the Company and one half common share purchase warrant. Each full warrant entitles the holder to acquire an additional common share of the Company at a price of $0.18; the warrants expire on September 17, 2017. The Company fair valued the warrants at $nil using the residual method.
- The Company paid $30,450 in cash financing costs and issued an additional 362,500 finders warrants. The finder's warrants were fair valued at $41,050 using an option pricing model. The assumptions used were; Risk free rate of 0.45%; volatility 146%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years

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, 2016 and August 31, 2015 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, 2014	1,615,243	0.25	1.93
Granted	1,100,000	0.05	
Cancelled	(10,000)	0.75	
Balance outstanding and exercisable at August 31, 2015	2,705,243	0.17	2.46
Granted	1,025,000	0.09	
Expired	(8,100)	0.50	
Exercised	(995,400)	0.08	
Balance outstanding and exercisable at May 31, 2016	2,726,743	0.17	2.71

(Unaudited - expressed in Canadian Dollars)

Stock options outstanding and exercisable at May 31, 2016 are as follows:

Number of Options	Exercise Price $	Expiry Date
736,743	0.10	August 22, 2016
365,000	0.75	July 10, 2017
700,000	0.05	December 30, 2019
925,000	0.09	January 28, 2021
2,726,743		

Subsequent to May 31, 2016, 736,743 stock options were exercised at $0.10 per option.

On January 28, 2016 the Company granted 1,025,000 options, vesting immediately, to directors and officers, exercisable at $0.09 and expiring on January 28, 2021. On December 30, 2014, the Company granted 1,100,000 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 calculated using the black-scholes option pricing model and the assumptions used are as follows:

	2016	2015
Risk free rate	0.68%	1.34%
Expected life	5 years	5 years
Expected volatility	143%	95%
Forfeiture rate	Nil	Nil
Expected dividends	Nil	Nil

The Company recorded share-based payments expense of $72,608 during the nine months ended May 31, 2016 (May 31, 2015 - $32,412)

Warrants
The Company's warrants outstanding as at May 31, 2016 and August 31, 2015 and the changes for the periods then ended are as follows:

	Number of Warrants	Exercise Price $
Balance, August 31, 2014	10,607,484	0.17
Expired	(879,000)	0.98
Balance, August 31, 2015	9,728,494	0.10
Issued	18,433,666	0.18
Exercised	(6,420,882)	0.10
Balance, May 31, 2016	21,741,278	0.17

(Unaudited - expressed in Canadian Dollars)

Warrants outstanding as at May 31, 2016 were as follows:

Outstanding Warrants	Exercise Price $	Expiry Date
3,307,612	0.10	August 22, 2016
2,397,000	0.18	June 8, 2017
12,215,000	0.18	July 29, 2017
270,000	0.18	August 22, 2017
3,551,666	0.18	September 17, 2017
21,741,278		

Weighted average remaining contractual life is 1.03 years.

Subsequent to May 31, 2016, 2,935,112 warrants were exercised at $0.10 per warrant and 2,222,222 warrants were exercised at $0.18 per warrant.

11. 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, 2016 and May 31, 2015 are as follows:

	Three months ended		Nine months ended	
	May 31, 2016 $	May 31, 2015 $	May 31, 2016 $	May 31, 2015 $
Consulting fees paid to a director	83,290	30,000	170,790	90,000
Administrative fees paid to a company controlled by a director	2,500	7,500	17,500	22,500
	85,790	37,500	188,290	112,500

As at May 31, 2016, $3,370 (August 31, 2015 - $38,251) was owing to a director and a private company controlled by him, and $19,199 (August 31, 2015 - $19,199) was owing to Goldsource, a company with common directors and officers.

As at May 31, 2016, loans totaling $40,174 (August 31, 2015 - $233,562) were due to a director, a private company which he is a director of, and a private company controlled by him. Loans amounting to $23,252 are unsecured and non-interest bearing and loans amounting to $16,921 bear an interest rate of 1% per month compounded monthly and are due on demand.

(Unaudited - expressed in Canadian Dollars)

12. 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, 2016 and August 31, 2015 and the Company's expenses by geographic area for the period ended May 31, 2016 are as follows:

	May 31, 2016			
	Colombia	Brazil	Canada	Total
		$	$	$
Current assets	1,236,662	26,219	860,695	2,123,576
Deferred acquisition costs	-	-	583,212	583,212
Exploration and evaluation asset	-	1,354,730	-	1,354,730
Equipment	1,537,907	-	-	1,537,907
El Limon mine	11,289,030	-	-	11,289,030
Total assets	14,063,599	1,380,949	1,443,907	16,888,455
Current liabilities	1,817,711	13,810	3,529,170	5,360,691
Long term liabilities	7,044,004	-	-	7,044,004
Total liabilities	8,861,715	13,810	3,529,170	12,404,695
Expenses	276,201	-	1,329,034	1,605,235
Other expenses	53,547	-	981,582	1,035,129
Net loss	329,748	-	2,310,616	2,640,364

The Company's assets, liabilities and expenses by geographic area as at and for the year ended August 31, 2015 were as follows:

	August 31, 2015		
	Brazil	Canada	Total
	$	$	$
Current (liabilities) assets	16,978	29,332	46,310
Deferred acquisition cost	-	756,852	756,852
Exploration and evaluation asset	1,074,696	-	1,074,696
Total assets	1,091,674	785,914	1,877,587
Current liabilities	22,801	2,447,878	2,470,679
Total liabilities	22,801	2,447,878	2,470,679
Expenses	-	472,518	472,518
Other expenses	-	421,454	421,454
Net loss	-	893,972	893,972

13. SUBSEQUENT EVENTS

- On June 21, 2016 the Company announced that it had received TSX Venture Exchange acceptance to the previously announced purchase of the shares of Colombia Milling Limited ("CML") owned by the other current shareholders of CML, Mr. Randall Martin ("Martin") and SAEF Exploration, Inc. ("SAEF") as follows:

- Share and Loan Purchase Agreement dated March 7, 2016, between the Para and Martin, whereby the Company acquired 875 shares of CML and be assigned US $875,000 of loans owed by CML to Martin for consideration of 13,213,340 units (the "Units"), with each Unit consisting of one common share and one share purchase warrant (the "Warrants"). Each Warrant entitles the holder to purchase one share at $0.20 for 18 months. AND
- Share and Loan Purchase Agreement dated Feb 11, 2016, between the Company and SAEF, whereby the Company acquired 420 shares of CML owned by SAEF and will be assigned US$420,394.47 of loans owed by CML to SAEF in consideration of US $250,000 cash (paid) and a promissory note in the amount of US $170,000 (the "SAEF Note"). The SAEF Note is payable six months from issue & accrues interest at 7% per annum. SAEF's CML Shares will be held in escrow until the SAEF Note is repaid.

With these transactions, the Company will own 100% of CML, which holds 68% of Four Points Mining S.A. ("Four Points") which in turn, owns 100% of the El Limon Mine, located in Antioquia, Colombia. On Closing of this transaction, Martin will own approximately 15.9% of the outstanding common shares of the Company.

- On July 12, 2016 the Company announced through it's 100% Colombian subsidiary, Zara Holdings S.A.S. ("Zara"), entered into a Definitive Agreement dated July 7, 2016 (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 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. This non-refundable payment is evidenced by a promissory note and a letter of instruction in favor of OTU.
  - US$250,000 payable within 5 business days of the date that the TSX Venture Exchange (the "Exchange") accepts the Agreement for filing (the "Acceptance Date") by the issuance to OTU of 1,270,000 common shares of PARA at a deemed price of $0.25734, being the volume weighted average closing price of PARA's shares on the Exchange for the five trading days immediately before the date of the Agreement.
  - ZARA will pay a Royalty of 2% of the net smelter returns (the "NSR") 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.