PARA RESOURCES INC.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Thirteen Months Ended September 30, 2016 and Twelve Months Ended August 31, 2015

Grant Thornton

Independent auditor's report

Grant Thornton LLP
Suite 1600, Grant Thornton Place
333 Seymour Street
Vancouver, BC
V6B 0A4

T +1 604 687 2711
F +1 604 685 6569
www.GrantThornton.ca

To the Shareholders of
Para Resources Inc.

We have audited the accompanying consolidated financial statements of Para Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2016 and August 31, 2015 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the thirteen months ended September 30, 2016 and the year ended August 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

Audit • Tax • Advisory
Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Para Resources Inc. as at September 30, 2016 and August 31, 2015 and its financial performance and its cash flows for the thirteen months ended September 30, 2016 and the year ended August 31, 2015, in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net and comprehensive loss of $2,204,933 and negative cash flows from operations of $2,326,754 for the thirteen months ended September 30, 2016. As at September 30, 2016, the Company had an accumulated deficit of $8,758,585. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada
January 30, 2017

Chartered Professional Accountants

Licensed Public Accountants

Para Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	**September 30, 2016 $**	**August 31, 2015 $**
ASSETS			
Current assets			
Cash		955,107	22,882
Receivables		46,039	10,178
Inventory		209,288	-
Prepaids	6	418,878	13,250
Total current assets		1,629,312	46,310
Non-current assets			
Deferred acquisition cost	7	-	756,582
Mineral property	7,8	15,189,475	-
Exploration and evaluation assets	9	2,483,305	1,074,695
Plant and equipment	10	5,399,584	-
Total non-current assets		23,072,364	1,831,277
TOTAL ASSETS		24,701,676	1,877,587
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	18	1,150,389	201,600
Due to related parties	16	105,623	291,012
Loan payable	11	-	1,978,067
Loan Helm bank	12	5,739,451	-
Loan Redrock resources	13	27,291	-
Total current liabilities		7,022,754	2,470,679
Deferred income tax liability	20	3,616,852	-
Loans payable	11	2,866,689	-
Loan Rayforte	14	963,386	-
Loan Redrock Resources	13	960,277	-
Total non-current liabilities		8,407,204	-
TOTAL LIABILITIES		15,429,958	2,470,679
EQUITY (DEFICIT)			
Share capital	15	14,361,482	2,771,654
Shares to be issued	15	50,000	-
Share option and warrant reserve	15	1,353,316	301,482
Contributed surplus		-	3,146,108
Deficit		(8,758,585)	(6,788,526)
Accumulated other comprehensive loss		(84,564)	(23,810)
Equity attributable to shareholders		6,921,649	(593,092)
Non-controlling interest	2	2,350,069	-
		9,271,718	(593,092)
TOTAL LIABILITIES AND EQUITY (DEFICIT)		24,701,676	1,877,587

Nature of operations and going concern (Note 1)
Subsequent events (Note 21)

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

Para Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Thirteen Months Ended September 30, 2016 and Twelve Months ended August 31, 2015
(Expressed in Canadian Dollars)

	Notes	September 30, 2016 $	August 31, 2015 $
Expenses			
Business investigation		206,540	-
Consulting	16	416,624	101,667
Depreciation	10	6,750	-
Investor relations		500,393	-
Office and miscellaneous	16	405,679	213,717
Professional fees	16	219,888	81,063
Regulatory and other filing fees		79,831	36,456
Salaries		230,507	-
Share-based compensation	15	72,608	39,615
Loss before other items		(2,138,820)	(472,518)
Interest expense	11,12,13	(790,872)	(124,993)
Gain on step acquisition	2	879,754	-
Transaction costs	2	(74,352)	-
Write-off of deferred acquisition costs	7	-	(296,461)
Loss for the period before tax		(2,124,290)	(893,972)
Deferred income tax expense	20	(3,766)	-
Loss for the period after tax		(2,128,056)	893.972
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to profit or loss:			
Loss on translating foreign operations		(76,877)	(48,400)
Loss and Comprehensive Loss for the period		**(2,204,933)**	**(942,372)**
Loss for the period attributable to:			
Owners of the parent		(1,905,547)	(893,972)
Non-controlling interest		(222,509)	-
		(2,128,056)	(893,972)
Comprehensive loss for the period attributable to:			
Owners of the parent		(1,966,301)	(942,372)
Non-controlling interest		(238,632)	-
		(2,204,933)	(972,372)
Basic and Diluted Loss per Common Share		(0.04)	(0.03)
Weighted Average Number of Common Shares Outstanding		58,208,712	25,560,642

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

Para Resources Inc.
Consolidated Statements of Changes in Equity
For the Thirteen Months ended September 30, 2016
(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	-	-	39,615	-	-	-	-	-	39,615
Loss for the period	-	-	-	-	-	(893,972)	-	-	(893,972)
Other comprehensive loss for the period	-	-	-	-	-	-	(48,400)	-	(48,400)
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	34,261,665	3,084,667	1,026,733	-	-	-	-	-	4,111,400
Issue costs	-	(115,162)	46,777	-	-	-	-	-	(68,385)
Shares issued for debt settlement	1,666,666	183,333	16,667	-	-	-	-	-	200,000
Bonus shares issued for credit facility	2,200,000	704,000	-	-	-	-	-	-	704,000
Shares issued for deferred acquisition	1,270,000	317,500	-	-	-	-	-	-	317,500
Shares to be issued	-	-	-	-	50,000	-	-	-	50,000
Shares issued pursuant to warrant exercise	23,970,435	3,556,104	-	-	-	-	-	-	3,556,104
Shares issued pursuant to option exercise	1,832,143	157,214	-	-	-	-	-	-	157,214
Transfer value on option exercise	-	66,638	(66,638)	-	-	-	-	-	-
Transfer value on warrant exercise	-	464,332	(464,332)	-	-	-	-	-	-
Share-based payments on options granted	-	-	72,608	-	-	-	-	-	72,608
Acquisition of Colombia Milling	13,213,340	3,171,202	420,019	(3,146,108)	-	(64,512)	-	2,588,701	2,969,302
Loss for the period	-	-	-	-	-	(1,905,547)	-	(222,509)	(2,128,056)
Other comprehensive income for the period	-	-	-	-	-	-	(60,754)	(16,123)	(76,877)
Balance as at September 30, 2016	104,338,074	14,361,482	1,353,316	-	50,000	(8,758,585)	(84,564)	2,350,069	9,271,718

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

Para Resources Inc.
Consolidated Statements of Cash Flows
For the Thirteen Months Ended September 30, 2016 and Twelve Months Ended August 31, 2015
(Expressed in Canadian Dollars)

	2016 $	2015 $
OPERATING ACTIVITES		
Loss for the period	(2,128,056)	(893,972)
Non-cash items:		
Share-based compensation	72,608	39,615
Gain on step acquisition	(879,754)	-
Depreciation	6,750	-
Interest on loan	751,363	124,855
Write-off of deferred acquisition costs	-	296,461
Income tax expense	3,766	-
Unrealized foreign exchange	(83,722)	-
Changes in non-cash working capital items:		
Receivables	(35,861)	10,641
Prepaid expenses	(37,978)	(13,250)
Accounts payable and accrued liabilities	(2,206)	63,794
Due from related parties	6,336	24,539
	(2,326,754)	(347,317)
FINANCING ACTIVITIES		
Issuance of shares	4,111,400	-
Issue costs	(68,385)	-
Shares to be issued	50,000	-
Loans payable	1,124,391	1,930,188
Interest paid	(64,710)	-
Option exercise	157,214	-
Warrant exercise	3,556,105	-
	8,866,015	1,930,188
INVESTING ACTIVITIES		
Cash acquired on acquisition of Colombia Milling Ltd.	294,546	-
Cash paid to acquire CML	(2,369,763)	-
Deferred acquisition cost	(731,004)	(1,053,043)
Expenditures on exploration and evaluation assets	(1,089,553)	(604,144)
Mineral property costs	(1,500,784)	-
Purchase of equipment	(224,083)	-
	(5,620,641)	(1,657,187)
Foreign exchange effect on cash	13,605	(14,045)
INCREASE (DECREASE) IN CASH DURING THE PERIOD	932,225	(60,271)
CASH, BEGINNING OF THE PERIOD	22,882	83,153
CASH, END OF THE PERIOD	955,107	22,882
Non-cash investing activities		
Shares issued for CML	$3,171,201	-
Shares issued as deferred acquisition cost	$317,500	-

The accompanying notes are an integral part of these 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 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 September 30, 2016, the Company had an accumulated deficit of $8,758,585 (August 31, 2015 – $6,788,526). For the period ended September 30, 2016, the Company incurred a loss of $2,128,056 (August 31, 2015 - $893,972), had negative cash flow from operations amounting to $2,326,754 (August 31, 2015 – $347,317) and had a working capital deficit of $5,393,442 (August 31, 2015 - deficit of $2,424,369). 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.

Although these 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 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. ACQUISITION OF COLOMBIA MILLING

On July 20, 2015, the Company announced it had entered into a shareholders' agreement ("Shareholders' Agreement"), subscribing for common shares of Colombia Milling Limited, a Belize incorporated Company. Pursuant to the Shareholders' Agreement, the Company would receive common shares of CML on the basis of 1 common share for every USD $1,000 of contributions. The contributions are considered to be receivable and due on demand. CML's only assets were its 62% ownership of Four Points Mining SAS ("Four Points") a Colombian company and holder of certain mineral licenses in northern Colombia, which contain the El Limon mine. The El Limon mine is a gold mine that is currently in pre-production.

On March 31, 2016, through contributions to CML, the Company increased its ownership to 63% and was given control of the board, effectively giving the Company control over CML and Four Points. The transaction was accounted for as a business combination achieved in stages, rather than an asset acquisition, as the operations of CML met the definition of a business. As the transaction was accounted for a business combination, transaction costs of $74,352 were expensed.

As the transaction was accounted for as a business combination achieved in steps, on acquiring control of CML the Company revalued its previous interest at fair value on the date of control and recognized a gain on step acquisition. The determination of the gain was as follows:

	$
Fair value of 100% at March 31, 2016	5,146,393
Fair value of 46% carrying interest at March 31, 2016	2,367,341
Less carrying value of 46% prior to control	(1,487,586)
Gain on step acquisition	879,754

The consideration paid to acquire control was determined to be the fair value of the carrying interest in CML at March 31, 2016 of $2,367,341 and the additional cash consideration of $1,787,944. The consideration was allocated to the fair value of the net assets of CML and Four points at March 31, 2016, the date of control. The Company has not allocated any value to goodwill as the entirety of the value associated with CML arises from the El Limon mine, any residual amounts have been allocated to mineral property. The non-controlling interest was determined as the proportionate share of the net identifiable assets of CML and Four Points that the Company did not control.

Purchase Price Allocation	**$**
Cash	294,546
Prepaids	805,127
Inventory	214,959
El Limon mine	13,351,267
Equipment	5,386,430
Liabilities	(10,005,968)
Deferred income tax liability	(4,020,214)
	6,026,147
Consideration	
Cash	1,787,944
Fair value of carrying interest in CML	2,367,341
Non-controlling interest	1,870,862
	6,026,147

The deferred income tax liability on acquisition relates to the adjustment of the equipment to fair value on the date of acquisition. The liabilities assumed on acquisition included the Loan to Redrock Resources of $952,818 and the Loan to Rayforte of $852,105, both of which were fair valued on the date of acquisition using a discounted cash flow model (Note 13 and 14); and the loan payable to Helm Bank of $5,569,794 which is accounted for as due on demand with the carrying value approximating fair value

On June 21, 2016 the Company received approval for the acquisition of the final 37% of CML held by James Randall Martin ("Martin") and SAEF Exploration Inc. ("SAEF"). In addition to the shares of CML the Company would also receive any amounts owing to SAEF and Martin from CML, which amounted to $1,680,256. The acquisition of 100% of the shares of CML brought the Company's total indirect interest in the El Limon Mine to 62%.

The terms of the agreement with SAEF were 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. (paid)

The terms of the agreement with Martin were 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.

The total consideration paid to acquire the final 37% of CML was $4,173,038 consisting of the loans and cash consideration to SAEF and the units to Martin. The common shares in the units were fair valued at $0.24 and the warrants were fair valued at $420,019 using the Black Scholes model. Upon obtaining 100% control of CML the Company adjusted its non-controlling interest to reflect the 38% of Four Points that was not controlled by the Company. The acquisition of the 37% was accounted for as follows:

Purchase Price Allocation	**$**
Loans from CML	1,680,256
Change in NCI	(717,839)
Amount attributed to equity of Para	3,210,621
	4,173,038

The non-controlling interest was determined as the proportionate share of the net identifiable assets of Four Points that the Company did not control either directly or indirectly through CML. As the increase in ownership did not result in a change in control the Company did not adjust for any changes in fair value at June 21, 2016.

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. During the period ended September 30, 2016 the Company recorded a net loss of $548,321 related to the CML.

3. BASIS OF PRESENTATION

Change in year end

Effective in 2016, the Company changed its financial year-end from August 31 to September 30 as the Company moves to align its year-end with that of its subsidiaries. Accordingly these consolidated financial statements present the statements of financial position as at September 30, 2016 and August 31, 2015 and the results of operations for the thirteen and twelve month periods then ended.

Statement of compliance
The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee, effective for the Company's reporting for the year ended August 31, 2016.

These consolidated financial statements were approved by the board of directors for use on January 27, 2017.

Basis of measurement
The consolidated financial statements have been prepared under the historical cost basis.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and the Company's 100% wholly-owned subsidiaries ANGRA, Zara Holdings S.A.S and Colombia Milling Limited ("CML"). The financial statements of CML contain the results of Four Points Mining, a Colombian entity that CML has 62% ownership of. The consolidated financial statements attribute an amount to non-controlling interest ("NCI") related to Four Points Mining.

Control is achieved when the Company is exposed or has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. All intercompany transactions and balances are eliminated upon consolidation.

The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Functional and presentation currency
The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Para is the Canadian dollar. The functional currency of ANGRA is the Brazilian Real. The functional currency of CML is the US dollar. The presentation currency of the Company is the Canadian dollar.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities at the closing rate as at the reporting date and income and expenses at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

On disposal of a foreign operation the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of loss.

4. SIGNIFICANT ACCOUNTING POLICIES

Inventory
The Company's inventory consists of supplies and parts and is valued at the lower of average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs

Exploration and evaluation assets
Exploration and evaluation ("E&E") assets are comprised of mineral rights acquired and capitalized exploration expenditures. Expenditures incurred on activities that precede exploration for and evaluations of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed immediately.

E&E assets includes rights to explore in mineral properties ("mining rights'), paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits.

Mining rights are recorded at acquisition cost or at fair value in the case of a devaluation caused by an impairment of value. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

E&E expenditures for each separate area of interest are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E expenditures include overhead expenses directly attributable to related activity.

Cash flows attributable to capitalized E&E costs are classified as investing activities in the statements of cash flows.

Mineral property
The costs associated with exploration and evaluation properties are transferred to mine properties once the work completed to date supports the future development of the property and such development receives appropriate approvals. All costs relating to the construction, installation or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mine properties. Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

The Company assesses the stage of each mine under construction to determine when a property reaches the stage when it is in the condition for it to be capable of operating in a manner intended by management. Upon commencement of commercial production, costs capitalized during development are amortized.

The Company has determined that as at September 30, 2016 the El Limon mine is not yet in commercial production. Once a mineral property has been brought into commercial production, costs of any additional work on that property are expensed as incurred, except for development programs which constitute a betterment, which will be deferred and depleted over the remaining useful life of the related assets. Mine properties include decommissioning and restoration costs related to the reclamation of mine properties. Mine

properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in profit or loss.

Mine properties are depreciated and depleted on the unit-of-production basis using the mineable tonnes extracted from the mine in the period as a percentage of the total mineable tonnes to be extracted in current and future periods based on mineral resources.

Mine properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses, and are not intended to represent future values.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Plant and equipment
Plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses.

The cost of an item of plant and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Where an item of plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as plant and equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as a cost of inventory.

The carrying amounts of plant and equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, if shorter. Depreciation starts on the date when commissioning is complete and the asset is ready for its intended use. The major categories of plant and equipment are depreciated at the following rates:

Office equipment	5 years
Vehicles	5 years
Buildings and construction	20 years
Machinery	10 years

Impairment of non-financial assets
The carrying amounts of non-financial assets are reviewed for indicators of impairment at the end of each reporting period. If there are indicators of impairment, an evaluation is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs to sell and its value-in-use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the assets are grouped together into the smallest group of assets that generate independent cash inflows and then a review is undertaken at the cash-generating unit level.

If the carrying amount of an individual asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recorded profit or loss to reflect the asset at the lower amount. In assessing the value-in-use, the relevant future cash flows expected to arise from the continuing use of such assets and from their disposal are discounted to their present value using a pre-tax discount rate which reflects the current market's assessments of the time value of money and asset-specific risks for which the cash flow estimates have not been adjusted. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

A reversal of a previously recognized impairment loss is recorded in profit or loss when events or circumstances indicate that the estimates used to determine the recoverable amount have changed since the prior impairment loss was recognized. The carrying amount is increased to the recoverable amount but not beyond the carrying amount net of amortization which would have arisen if the prior impairment loss had not been recognized. After such a reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories:

Financial assets classified as Fair Value through Profit or Loss ("FVTPL") are measured at fair value with unrealized gains and losses recognized through profit or loss.

Financial assets classified as loans and receivables, including cash, are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Impairment of financial assets

At each reporting date, the Company assess whether there is objective evidence that a financial asset is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on estimated future cash flows of that asset. An impairment loss is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at their original effective interest rate. The carrying amount of the asset is reduced either directly or indirectly through the use of an allowance account.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. All impairment losses are recognized in profit or loss except for available-for-sale assets, where a reversal of an impairment loss is recognized immediately in profit or loss but only to an amount that does not exceed previously recognized impairment losses for the asset. Any excess of the fair value above the amount of the impairment reversal is recognized in Other Comprehensive Income ("OCI").

Financial liabilities

Financial liabilities may be classified as Fair Value through Profit or Loss ("FVTPL") or as other financial liabilities, based on the purpose for which the liability was incurred. Other financial liabilities include

accounts payable and accrued liabilities, loans payable, due to related parties and other loans. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Income taxes
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income (loss). Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share capital
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs include commissions, facilitation payments, professional fees, and regulatory fees.

For the unit offerings, the proceeds from the issuance of units are allocated between common shares and common share purchase warrants using the residual method, allocating fair value first to the common shares and then share purchase warrants.

In the event the Company receives funds in advance for shares that have not yet been issued the Company will record the amount within equity as shares to be issued. Once the shares have been issued the Company will reallocate the value to share capital.

Share purchase warrants that are issued for goods and services are initially accounted for under IFRS 2 as equity instruments. Subsequent to their issuance, share purchase warrants issued for goods and services are considered as equity for their entire life. The fair value of such share purchase warrants is not re-measured. When these share purchase warrants are exercised, the cash proceeds received and the applicable amounts of share purchase warrants are credited to share capital. Where share purchase warrants expire or are forfeited then these amounts remain in equity under share option and warrants reserve.

Loss or earnings per common share

Basic loss or earnings per common share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares issued and outstanding for the relevant period.

Diluted loss or earnings per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based payments

Employees and directors of the Company receive remuneration in the form of share-based payment transactions, whereby services are rendered as consideration for equity instruments ("equity-settled transactions"). For equity-settled transactions, the Company measures the fair value of share-based awards using an option pricing model as of the date of grant, and recognizes the cost as an expense over the applicable vesting period with a corresponding increase in share option and warrants reserve. The Company estimates the number of equity instruments that will ultimately vest, based on the awards meeting the related service conditions at the vesting date, when calculating the share-based payment expense. When share-based awards are exercised, share option reserve is reduced by the applicable amount and share capital is increased by the same amount. Share-based payments also include warrants that are issued as payment for agency fees or other transaction costs. Share based payments for services are measured at the fair value of the services rendered.

Non-controlling interest

Non-controlling interest is measured at its proportionate share of the acquiree's identifiable net assets or liabilities. Net income or loss and comprehensive income or loss, for the period, are allocated between non-controlling interest and owners of the parent. Non-controlling interest in subsidiaries must be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Changes in a Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Revenue recognition

The Company recognizes revenue when:

- The significant risks and rewards of ownership have been transferred;
- The amount of revenue can be measured reliably
- It is probable the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of consideration received or receivable. Any sales that occur prior to the commencement of commercial production are credited to mineral properties.

Proceeds from the sales prior to commencing commercial production are credited to mineral property.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market

assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that a reimbursement will be received and the amount receivable can be measured reliably.

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.

- IFRS 16*, Leases*, specifies how an IFRS reporter will recognize, measure, present and discloses leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the new guidance is expected to have on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Estimates

Useful life of depreciable assets
Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Mineral resource estimate
The life of the El Limon mine is determined from the ore reserves that are available to be extracted at the end of each reporting period. The Company initially estimates the ore reserve available based on the findings of qualified, independent, mining professionals. These estimates are updated from time to time as additional technical and economic information becomes available. Factors that impact the computation of reserves available include the geological data on the size, depth and shape of the ore body, the prevailing and expected market price for the underlying metals to be extracted and the expected costs to extract and process the mined material. Changes in the mineable ore reserve available may impact the carrying value of mine property, exploration and evaluation properties, plant and equipment, site closure and reclamation provision and changes in the recognition of deferred tax amounts in addition to changes in the recognition of depreciation and depletion.

Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Judgments

Business combination
On the acquisition of a subsidiary, the Company must determine whether the acquisition is a business combination by applying the definition in IFRS 3 *Business Combinations*. If the assets and liabilities assumed do not constitute a business the transaction would be accounted for as an asset acquisition. Management has determined that the acquisition of CML constituted a business combination as CML met the definition of a business. A business consists of inputs to which processes are applied resulting in outputs that provide a return to the Company and its shareholders.

Business combinations are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition.

Exploration and evaluation assets
The Company's investment in and expenditures on its mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent on

establishing legal ownership of the properties, on the attainment of successful commercial production or from the proceeds of their disposal. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or proceeds from the disposition thereof.

Although the Company has taken steps to ensure the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

Commencement of Commercial Production
The Company assesses the stage of each mine under construction to determine when a property reaches the stage when it is substantially complete and ready for its intended use. Criteria used to assess when a property has commenced commercial production include, among other considerations:

- the level of capital expenditures incurred relative to the expected costs to complete;
- he completion of a reasonable period of testing of the mine plant and equipment;
- the ability to produce saleable metals;
- the attainment of relevant permits;
- the ability to sustain ongoing production; and
- the achievement of pre-determined production targets.

When management determines that a property has reached commercial production, costs capitalized during development are amortized.

Functional Currency
The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of its entities when there is a change in events and conditions which previously determined the primary economic environment of an entity.

Impairment of exploration and evaluation assets
The application of the Company's accounting policy for determining whether it is likely that costs incurred on exploration and evaluation assets will be recovered through successful exploration and development also requires significant judgment. Management evaluates impairment with consideration of the economic and political environments and current mining codes of the countries where they perform exploration.

6. PREPAIDS

As at September 30, 2016 the Company's prepaid amounts consist of the following:

	September 30, 2016	August 31, 2015
	$	$
Investor relation	101,238	13,250
Advances to suppliers	98,918	-
Advances to employees	127,379	-
Other advances	91,343	-
	418,878	**13,250**

7. 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.

A breakdown of total deferred acquisition costs is as follows:

	Ojos Negros	Colombia Milling
	$	$
Balance, August 31, 2014	**-**	**-**
Additions	296,461	756,582
Write-off	(296,461)	-
Balance, August 31, 2015	**-**	**756,582**
Additions to March 31, 2016	-	731,004
Transfer to investment in CML (note 2)	-	(1,487,586)
Balance September 30, 2016	**-**	**-**

The Company completed its acquisition of Colombia Milling Ltd. during the period ended September 30, 2016 (Note 2).

8. MINERAL PROPERTY

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

As at September 30, 2016 the Company's mineral property balance consisted of the following

	El Limon
	$
Balance, August 31, 2015	-
Acquisition of CML	13,351,267
Development costs	1,758,434
Foreign exchange translation	79,774
Balance, September 30, 2016	**15,189,475**

El Limon

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.

9. 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 $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.

	September 30, 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	3,989	20,262
Consulting	172,583	177,415
Drilling	-	118,300
Environmental	-	4,355
Field supplies	79,102	85,834
Licenses	17,637	20,827
Miscellaneous	413	722
Personnel	50,535	16,796
Project administration	81,336	109,370
Vehicle expenses	27,563	50,263
Foreign exchange on mineral property	1,557	(62,445)
Total additions during the period	434,715	541,699
	1,509,409	1,074,694
Balance, end of the period	**1,509,410**	**1,074,695**

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.

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

- 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.

As at September 30, 2016 the North Otu Properties were not in production and the Company has capitalized its acquisition costs of $973,895 to exploration and evaluation assets.

	North Otu	Tucumã	Total
	$	$	$
Acquisition cost			
Balance, August 31, 2015	-	1	1
Additions	973,895	-	973,895
Balance, September 30, 2016	973,895	1	973,896
Deferred Exploration Costs			-
Balance, August 31, 2015	-	1,074,694	1,074,694
Additions	-	434,715	434,715
Balance September 30, 2016	-	1,509,409	1,509,409
Balance, August 31, 2015	**-**	**1,074,695**	**1,074,695**
Balance, September 30, 2016	**973,895**	**1,509,410**	**2,483,305**

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. (Note 20).

10. PLANT AND EQUIPMENT

	Buildings and construction	Machinery	Office equipment	Vehicles	Total
Cost	**$**	**$**	**$**	**$**	**$**
Balance, August 31, 2014 and 2015	**-**	**-**	**-**	**-**	**-**
Acquired through CML	707,428	4,651,638	26,538	826	5,386,430
Additions	45,618	55,166	20,428	102,870	224,083
Foreign exchange	7,186	44,914	448	990	53,538
Balance September 30, 2016	**760,232**	**4,751,719**	**47,414**	**104,685**	**5,664,050**

	Buildings and construction	Machinery	Office equipment	Vehicles	Total
Accumulated Depreciation	**$**	**$**	**$**	**$**	**$**
Balance, August 31, 2014 and 2015	**-**	**-**	**-**	**-**	**-**
Depreciation	19,072	238,578	6,295	520	264,466
Balance September 30, 2016	**19,072**	**238,578**	**6,295**	**520**	**264,466**
Net Book Value					
August 31, 2014 and 2015	**-**	**-**	**-**	**-**	**-**
September 30, 2016	**741,160**	**4,513,141**	**41,119**	**104,165**	**5,399,584**

During the period ended September 30, 2016, $257,716 of depreciation was capitalized to mineral properties and $6,750 was recorded as depreciation expense.

11. LOAN PAYABLE AND CREDIT FACILITY

During the period 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%.

On April 7, 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. All of the Company's outstanding loans, which amounted to $3,038,813, with Conex were transferred into the facility on April 7, 2016, bearing interest at 12% per annum, with the principal and accrued interest due on August 31, 2018. 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 financing cost to be accreted over the life of the loan using an effective interest rate of 24.5%. As at September 30, 2016 the Company had recorded interest and accretion of $468,231 related to the loan payable.

The loan payable at September 30, 2016 and August 31, 2015, and the changes for the periods then ended are as follows:

	$
Balance, August 31, 2014	**-**
Loans received	1,930,188
Less financing cost	(64,143)
Interest and accretion	112,022
Balance, August 31, 2015	**1,978,067**
Loans received	1,124,391
Less financing costs	(704,000)
Interest and accretion	468,231
Balance, September 30, 2016	**2,866,689**

12. HELM BANK LOAN

As at September 30, 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 and is due on demand. As at September 30, 2016 the Company has accrued interest payable of USD$881,261.

	$
Balance, August 31, 2015	**-**
Loan assumed on acquisition of CML	5,569,794
Interest	113,435
Foreign exchange on translation of loan	56,222
Balance, September 30, 2016	**5,739,451**

13. 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. The Company fair valued the loan using an effective interest of 24.5% and determined the fair value of the loan to be $952,818. To September 30, 2016 the Company had recorded interest of $27,291 and accretion expense of $32,392. The Company will make its next interest payment of USD $50,000 on April 30, 2017.

	$
Balance, August 31, 2015	**-**
Loan assumed on acquisition of CML	952,818
Interest and accretion	59,683
Interest paid	(64,710)
Foreign exchange on translation of loan	39,777
Balance, September 30, 2016	**987,568**

14. LOAN PAYABLE RAYFORTE

Upon completing the acquisition of CML the Company assumed its loan payable to Rayforte of USD $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% and determined the fair value of the loan to be $852,105. During the period ended September 30, 2016 the Company recorded interest and accretion expense of $101,739.

	$
Balance, August 31, 2015	**-**
Loan assumed on acquisition of CML	852,105
Interest and accretion	101,739
Foreign exchange on translation of loan	9,542
Balance, September 30, 2016	**963,386**

15. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Financings during the period ended September 30, 2016 are as follows:

- On December 8, 2015, the Company issued 2,953,333 units at $0.12 per unit for gross proceeds of $354,400 and 1,666,666 units to settle debt of $200,000. 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. No gain on debt settlement was recorded. 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 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 warrants were valued at $977,200 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. 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 one 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 following is a continuity schedule of outstanding options for the reporting period.

The Company's stock options outstanding as at September 30, 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	(1,832,143)	0.09	
Balance outstanding and exercisable at September 30, 2016	1,790,000	0.21	3.24

Stock options outstanding and exercisable at September 30, 2016 are as follows:

Number of Options	Exercise Price $	Expiry Date
365,000	0.75	July 10, 2017
600,000	0.05	December 30, 2019
925,000	0.09	January 28, 2021
1,890,000	0.21	

Stock options outstanding and exercisable at August 31, 2015 were 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
1,100,000	0.05	December 30, 2019
2,705,243		

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 period ended September 30, 2016 (August 31, 2016 - $39,615).

Warrants

The Company's warrants outstanding as at September 30, 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	25,040,336	0.19
Exercised	(23,970,435)	0.15
Balance, September 30, 2016	10,798,395	0.19

Warrants outstanding as at September 30, 2016 were as follows:

Outstanding Warrants	Exercise Price $	Expiry Date
1,563,667	0.18	June 8, 2017
270,000	0.18	August 22, 2017
3,343,333	0.18	September 17, 2017
5,621,395	0.20	December 20, 2017
10,798,395		

Weighted average remaining contractual life is 1.06 years.

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

Outstanding Warrants	Exercise Price $	Expiry Date
9,728,494	0.10	August 22, 2017
9,728,494		

As at September 30, 2016 the Company had received proceeds of $50,000 for a warrant exercise for which the shares have yet to be issued.

16. 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 periods ended September 30, 2016 and August 31, 2015 are as follows:

	September 30, 2016 $	August 31, 2015 $
Consulting fees paid to a director	366,709	120,000
Administrative fees paid to a company controlled by a director	49,309	30,000
	416,018	150,000

As at September 30, 2016, $46,138 (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 Mines Inc., a company with common directors and officers.

As at September 30, 2016, loans totaling $40,286 (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 $17,033 bear an interest rate of 1% per month compounded monthly and are due on demand.

Compensation paid to key management personal for the periods ended September 30, 2016 and August 31, 2015 is identical to the table above.

17. 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 $6,898,631 (August 31, 2015 – ($593,095). 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 thirteen months ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

18. FINANCIAL RISK MANAGEMENT

The carrying values of the Company's financial instruments are classified into the categories below. Fair values are determined either directly by reference to published price quotations in an active market, or from valuation techniques using observable inputs.

	September 30, 2016	August 31, 2015
	$	$
Loans and Receivables:		
Cash	955,107	22,882
Other financial liabilities		
Accounts payable and accrued liabilities	1,150,389	201,600
Due to related parties	105,623	291,012
Loan payable	2,866,689	1,978,067
Loan Helm Bank	5,739,451	-
Loan Rayforte	963,386	-
Loan Redrock Resources	987,568	-

Fair value measurements
The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;
Level 3: valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The carrying value of cash, accounts receivable, accounts payable, loan to Helm Bank, the interest portion of the loan to Redrock Resources and due to related parties approximate their fair values because of their short term nature.

The Company's non-current liabilities are considered level two financial instruments and fair valued using a discounted cash flow model and effective interest rate of 24.5%. Non-current liabilities include the loan payable of $2,866,689, the loan to Redrock Resources of $960,277 and the loan to Rayforte of $963,386.

Risks arising from financial instruments and risk management
The Company's activities expose it to a variety of risks including interest rate risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the officers of the Company and discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the expectations of the Board of Directors.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its

cash; however, the risk is minimal because of their short-term maturity. All of the Company's interest bearing debt instruments have fixed interest rates and are not subject to interest rate cash flow risk.

Credit risk
Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk arises from cash and accounts receivable. The Company mitigates this risk by placing its cash in large reputable Canadian financial institution. The Company considers the credit risk related to cash and accounts receivable to be minimal.

Liquidity risk
Liquidity risk is the risk that he Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company develops forecasts and budgets to better manage its obligations while supporting ongoing operations and capital expenditures. The Company relies on debt and equity offerings to raise the financing it needs to meet its ongoing requirements. The Company's cash is available on demand.

Contractual cash flow requirements as at September 30, 2016 are as follows:

	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 years	Total
	$	$	$	$	$
Accounts payable and accrued liabilities	1,150,389	-	-	-	1,150,389
Due to related parties	105,623	-	-	-	105,623
Loan Helm bank	5,739,451	-	-	-	5,739,451
Loan payable	-	-	2,866,689	-	2866,689
Loan Red Rock	27,291	960,277	-	-	987,568
Loan Rayforte	-	963,386	-	-	963,386

All cash flow requirements as at August 31, 2015 had a term of less than one year.

Foreign currency risk
The Company has operations in Canada, Brazil and Colombia and is exposed to foreign exchange risk due to fluctuations in the US dollar, Brazilian real and Colombian peso. Foreign exchange risk arises from financial assets and liabilities denominated in these foreign currencies. The sensitivity of the Company's net loss to a 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $58,555.

The Company's financial assets and liabilities as at September 30, 2016 are denominated in Canadian dollars, Brazilian real, Colombian Peso and US dollars as follows:

	Canadian dollar	US dollar	Colombian Peso	Brazilian real	Total
	$	$	$	$	$
Financial assets					
Cash	720,449	1,286	232,130	1,242	955,107
Accounts receivable	8,099	-	22,953	14,987	46,039
	728,548	1,286	255,083	16,229	1,001,146
Financial liabilities					
Accounts payable and accrued liabilities	90,504	385,579	643,031	31,275	1,150,389
Due to related party	105,623	-	-	-	105,623
Loan payable	2,866,689	-	-	-	2,866,689
Loan Rayforte	-	963,386	-	-	963,386
Loan Red Rock	-	987,568	-	-	987,568
Loan Helm Bank	-	5,739,451	-	-	5,739,451
	3,062,816	8,075,984	643,031	31,275	11,813,106

The Company's financial assets and liabilities as at August 31, 2015 are denominated in Canadian dollars and Brazilian real as follows:

	Canadian dollar	Brazilian real	Total
	$	$	$
Financial assets			
Cash	7,789	15,093	22,882
Accounts receivable	8,294	1,884	10,178
	16,083	16,977	33,060
Financial liabilities			
Accounts payable and accrued liabilities	178,799	22,801	201,600
Due to related party	291,012	-	291,012
Loan payable	1,978,067	-	1,978,067
	2,447,878	22,801	2,470,679

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

19. SEGMENTED DISCLOSURE

The Company manages its operating segments by reviewing each individual resource project and segregates the projects between properties under development and exploration properties.

Operating segment:
The Company has identified the following operating segments: the El Limon property as mine under development and exploration and evaluation assets. The performance of the company's operating segments as at and for the thirteen months ended September 30, 2016 and the twelve months ended August 31, 2015 is as follows.

	September 30, 2016			
	El Limon	Exploration and evaluation	Corporate and other	Total
	$	$	$	$
Loss for the period	548,321	-	1,575,969	2,124,290
Salaries	230,507	-	-	230,507
Consulting	-	-	416,624	416,624
Investor relations	-	-	500,393	500,393
Interest expense	265,760	-	525,112	790,872
Depreciation	6,750	-	-	6,750
Current assets	783,298	16,229	829,785	1,629,312
Non-current assets	20,589,059	2,483,305	-	23,072,364
Total assets	21,372,356	2,499,534	829,785	24,701,676
Current liabilities	6,795,352	31,275	196,127	7,022,754
Non-current liabilities	1,923,663	-	6,483,541	8,407,204
Total liabilities	8,719,015	31,275	6,679,668	15,429,958

	August 31, 2015		
	Exploration and evaluation	Corporate and other	Total
	$	$	$
Loss for the period	-	893,372	893,372
Consulting	-	101,667	101,667
Interest expense	-	124,993	124,993
Write-down of deferred costs	-	296,461	296,461
Current assets	16,978	29,332	46,310
Non-current assets	1,074,695	756,582	1,831,277
Total assets	1,091,673	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

Geographic segment:
The Company's assets and liabilities as at September 30, 2016 and August 31, 2015 and the Company's expenses by geographic area for the period ended September 30, 2016 are as follows:

	September 30, 2016			
	Colombia	Brazil	Canada	Total
	$	$	$	$
Current assets	783,298	16,229	829,785	1,629,312
Exploration and evaluation asset	973,895	1,509,410	-	2,483,305
Plant and equipment	5,399,584	-	-	5,399,584
Mineral properties	15,189,475	-	-	15,189,475
Total assets	22,346,252	1,525,639	829,785	24,701,676
Current liabilities	6,795,352	31,275	196,127	7,022,754
Non-current liabilities	1,923,663	-	6,483,541	8,407,204
Total liabilities	8,719,015	31,275	6,679,668	15,429,958
Expenses	282,560	-	1,856,260	2,138,820
Other expenses	265,760	-	(280,290)	(14,530)
Net loss	548,321	-	1,575,968	2,124,290

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

20. INCOME TAXES

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to deferred tax liabilities as follows:

	September 30, 2016 $	August 31, 2015 $
Property, equipment and mineral property	(5,339,324)	-
Tax loss carry forwards	1,279,324	-
Prepaid taxes	443,147	-
Deferred tax liabilities	(3,616,852)	

As at September 30, 2016 no deferred tax assets are recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets:

	September 30, 2016 $	August 31, 2015 $	Expiry Date Range
Canadian tax loss carry forwards	4,472,000	2,187,000	2028-2036
Share issue costs	128,000	179,000	2037-2040
Brazil exploration assets	170,000	-	Indefinite

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 26% (2015 – 26%) as follows:

	September 30, 2016	August 31, 2015
Canadian statutory rate	26%	26%
Net loss	(2,124,290)	(893,972)
Income tax recovery at Canadian statutory rates	(552,316)	(232,433)
Effect of different tax rates in foreign jurisdictions	1,042	42,357
Permanent differences and other	(287,991)	101,019
Change in unrecognized deductible temporary difference	690,244	81,161
Change due to foreign translation and other	147,339	92,610
	3,766	-

21. SUBSEQUENT EVENTS

- Subsequent to September 30, 2016, the Company received an additional $335,650 drawdown under Credit Facility Agreement with Conex,
- On October, 6, 2016, the Company announced that Cartesian Royalty Holdings Pte. Ltd ("CRH") has agreed to provide Para with a financing package of up to US$18 million to fund the acquisition, development and/or expansion of select gold projects on which CRH and Para mutually agree. CRH was to invest at least US$10 million and up to US$18 million, in tranches of such size and timing as mutually agreed, for the select gold projects, provided that the first tranche of US$2 million was to be funded at closing of the investment. On January 20th, 2017 that agreement was terminated by Para.
- On December 30, 2016) the Company announced that it and its wholly owned Brazilian subsidiary Angra Metals Mineração Ltda.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.

Pursuant to the Acquisition and Acknowledgment Agreements (collectively the "Agreements"), the Company acquired the right to purchase 100% of the Project in consideration of the issuance of 6,440,500 common shares of the Company to Sercor, as well as the maintenance of a number of royalties on the Project, and the Vendor became entitled to a 1% Net Smelter Return royalty (the "Tucuma Royalty"), in the event the Company achieved commercial production on its Tucuma project located in Para State, or any other project within 5 kilometers of the Tucuma project.

The Settlement Agreements terminate all the Company and Angra's obligations under the Agreements (including the Tucuma Royalty) in consideration of the issuance of 1,250,000 common shares in the capital of the Company (the "Shares") to Sercor on the 10th business day (the "Closing Date") following TSX Venture Exchange approval of the Settlement Agreements (issued). The Shares are subject to voluntary resale restrictions expiring in 25% tranches on the six, nine, 12 and 18 month anniversaries of the Closing Date.

The Company has received conditional acceptance to the Settlement Agreements from the TSX Venture Exchange and will proceed with closing.

- On January 18, 2017 the Company announced that it has entered into a non-binding Letter of Intent to acquire an 80% interest in Nicaragua Milling Company Ltd. (“NML”), a Belize company with mining interests in the Republic of Nicaragua. The aggregate consideration payable to the Vendors for the NML Shares shall consist of 40,000,000 common shares in the capital of Para at a deemed price of C$0.20 per share and 4,000,000 share purchase warrants of Para. Each Warrant will be exercisable to acquire one common share of Para at a price of C$0.30 for three years from the date of issue.

  NML is owned by Randy Martin, Sergio Rios and a third minority shareholder (together, the “Vendors”). Mr. Martin is an Officer, Director and major shareholder of Para. Following the Transaction, and subject to TSXV approval, Sergio Rios will be appointed a Director of Para. Mr. Martin abstained from voting on the Company’s approval of the Letter of Intent by virtue of his conflict of interest.

- January 26, 2017 the Company announced that it has entered into a Memorandum of Understanding with Mining and Solutions Construction Group S.A. (“MISCON”) whereby the parties have outlined their mutual intentions to enter into a proposed strategic alliance and earn-in agreement concerning MISCON’s Finaris Mine and associated concessions as well as the Las Lomas de Casma processing plant, both located in the District of Coris, Province of Aija, Peru (the “Assets”). The properties are located approximately 345 km from Lima, Peru.

  Para has agreed, subject to due diligence to invest an amount of capital and expertise, expected to be between USD $5 – 7 million, consistent with a plan to be developed and mutually agreed to by the parties, in improvements and expansion of the Assets to increase production of the Assets