

29 January 2016

Gunung Rosa Advances with Finance Facility

Paramount Mining Corporation Limited (ASX: PCP, "Paramount") is pleased to announce that its subsidiary Paramindo Singapore Pte Ltd ("Company") has entered into an unsecured three-year convertible Drawdown Facility agreement ("Facility") of USD3,000,000 with an Asian resource funding group ("Lender").

The Facility will fund critical stages in the continued development of the Gunung Rosa gold, silver and base metal project in West Java, Indonesia, as well as provide for working capital.

Under the Facility, the Company may drawdown a committed amount of up to USD3,000,000 in USD1,000,000 tranches through to 31 March 2016, or as agreed between the parties. Additional drawdowns under the Facility may be approved, at the sole discretion of the Lender.

The key terms of the Facility are as follows:

- USD3,000,000 unsecured Facility
- Interest rate of 10% per annum
- Maturity date is 3 years from the date of the Facility agreement
- Repayable in cash or shares and attaching warrants in the Company at the Lender's option.
 - Conversion price is the price of shares based on a USD20,000,000 pre-money valuation of the Company immediately prior to conversion.
 - Warrants exercisable for nil consideration to acquire two shares each.

Mr Mo Munshi, Paramount's Chairman remarked "This Facility represents a significant step forward for the Gunung Rosa project. It will enable us to resume drilling to upgrade the JORC Resource, dewater the mine and to proceed to Bankable Feasibility Study. While development stage companies are struggling to raise capital, our success in securing the solid financial backing required to take the Gunung Rosa project to the next stage is a major statement of market confidence in our company."

For further information please contact:

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