



October 29, 2019

Dear Stockholder of Paramount Gold Nevada Corp.:

I am pleased to invite you to attend the 2019 Annual Meeting of Stockholders of Paramount Gold Nevada Corp., to be held at the Paramount Gold Nevada Corp. Oregon Office, 220 Morton Street East, Vale, Oregon, 97918 on December 11, 2019 at 11:00 AM Local time.

At the meeting, we will update you on the progress we are making at our projects, the Sleeper Gold Project and the Grassy Mountain Gold Project, and our outlook for the business in 2020. Following that discussion and after addressing any questions you may have, we will cover the business matters outlined in the accompanying Notice of Annual Meeting and Proxy Statement.

We are furnishing proxy materials to our stockholders over the Internet. You may read, print and download our 2019 Annual Report to Stockholders and our Proxy Statement at [www.paramountnevada.com/PZGProxy.pdf](http://www.paramountnevada.com/PZGProxy.pdf). On October 29, 2019, we mailed our stockholders a notice containing instructions on how to access these materials and how to vote their shares. The notice provides instructions on how you can request a paper copy of these materials by mail, by telephone or by email. If you requested your materials via email, the email contains voting instructions and links to the materials on the Internet.

You may vote your shares by regular mail or in person at the Annual Meeting. The Annual Meeting is being held so that stockholders may consider the election of directors, approval to make payments using Paramount's common shares of common stock for interest owing on outstanding convertible notes in lieu of cash and the ratification of the appointment of MNP LLP as Paramount Gold Nevada Corp's independent registered public accounting firm for the year ending June 30, 2020.

The Board of Directors of Paramount Gold Nevada Corp. has determined that the matters to be considered at the Annual Meeting are in the best interests of Paramount Gold Nevada Corp. and its stockholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote "FOR" each matter to be considered.

On behalf of the Board of Directors the officers and employees of Paramount Gold Nevada Corp., I would like to take this opportunity to thank our stockholders for the confidence you place in us through your investment. We look forward to seeing you at the meeting.

Sincerely,

/s/ Glen Van Treek

---

Glen Van Treek  
President, CEO and Director

## TABLE OF CONTENTS

<b>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS</b> .....	2
<b>PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS</b> .....	4
<b>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</b> .....	8
<b>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</b> .....	8
<b>MATTERS TO COME BEFORE THE ANNUAL MEETING</b> .....	10
<b>PROPOSAL No. 1: ELECTION OF DIRECTORS</b> .....	10
<b>PROPOSAL No. 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</b>	12
<b>PROPOSAL No. 3: APPROVAL FOR THE COMPANY TO PAY INTEREST PAYABLE ON OUTSTANDING CONVERTIBLE NOTES IN COMMON STOCK IN ACCORDANCE WITH SECTION 713(A) OF THE NYSE AMERICAN COMPANY GUIDE</b> .....	13
<b>BOARD MEETINGS AND COMMITTEES; ANNUAL MEETING ATTENDANCE</b> .....	14
<b>THE COMPENSATION COMMITTEE</b> .....	15
<b>THE AUDIT COMMITTEE</b>	16
<b>THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE</b> .....	17
<b>EXECUTIVE COMPENSATION</b> .....	19
<b>DIRECTOR COMPENSATION</b> .....	22
<b>CORPORATE GOVERNANCE</b> .....	24
<b>STOCKHOLDER PROPOSALS</b> .....	25
<b>DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS</b> .....	25
<b>OTHER MATTERS</b> .....	25

**Paramount Gold Nevada Corp.  
665 Anderson Street  
Winnemucca, Nevada 89445  
(775) 625-3600**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

Notice is hereby given that the 2019 Annual Meeting of Stockholders of Paramount Gold Nevada Corp. (the "Company") will be held at the Paramount Gold Nevada Corp. office at 220 Morton Street East, Vale, Oregon, 97918, at 11:00 a.m., local time, on Wednesday, December 11, 2019 for the following purposes:

1. To elect as directors the seven nominees named in the Proxy Statement to serve for the ensuing year and until their respective successors are duly elected and qualified;
2. To ratify the appointment of MNP LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2020;
3. To approve the payment of interest payable on outstanding convertible notes in common stock in accordance with Section 713(a) of the NYSE American Company Guide; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

These proposals are more fully described in the Proxy Statement following this Notice.

The Board of Directors recommends that you vote (i) FOR the election of all seven nominees to serve as directors of the Company, (ii) FOR the ratification of the appointment of MNP LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2020, and (iii) FOR the Company to have the ability, at its discretion, the option to pay interest on outstanding convertible notes in common stock in accordance with Section 713(a) of the NYSE American Company Guide.

The Company is pleased, pursuant to the rules of the Securities and Exchange Commission (the "SEC"), to furnish proxy materials over the internet to our stockholders. We believe these rules allow us to provide you with the information you need while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting.

The Board of Directors has fixed the close of business on Tuesday, October 15, 2019 as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting. Accordingly, only stockholders of record at the close of business on that date will be entitled to vote at the Annual Meeting. A list of the stockholders of record as of the close of business on October 15, 2019 will be available for inspection by any of our stockholders for any purpose relevant to the Annual Meeting during normal business hours at our principal offices, 665 Anderson Street, Winnemucca, Nevada, 89445, beginning on the mail date, October 29, 2019 and at the Annual Meeting.

Stockholders are cordially invited to attend the Annual Meeting in person. Regardless of whether you plan to attend the Annual Meeting, please mark, date, sign and return the enclosed proxy to ensure that your shares are represented at the Annual Meeting. Stockholders of record at the close of business on the record date, whose shares are registered directly in their name, and not in the name of a broker or other nominee, may vote their shares in person at the Annual Meeting, even though they have sent in proxies.

By order of the Board of Directors,

/s/ Glen Van Treek

---

Glen Van Treek  
President, CEO and Director

October 29, 2019

**YOUR VOTE IS IMPORTANT**

**Please vote via the Internet or telephone.**

Internet: [www.proxyvote.com](http://www.proxyvote.com)

Phone: 1-800-690-6903

If you request a proxy card, please mark, sign and date the proxy card when received and return it promptly in the self-addressed, stamped envelope we will provide.

**Paramount Gold Nevada Corp.**

**665 Anderson Street**

**Winnemucca, Nevada 89445**

**(775) 625-3600**

**PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS**  
**December 11, 2019**

**ABOUT THE MEETING**

This proxy statement for Paramount Gold Nevada Corp. (“Paramount” or the “Company”) is furnished in connection with the solicitation by our Board of Directors of proxies of stockholders for shares to be voted at the Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the Company’s office at 220 Morton Street East, Vale, Oregon, 97918, at 11:00 a.m., local time, on Wednesday, December 11, 2019, and any and all adjournments or postponements thereof. This proxy statement and the accompanying proxy are first being made available to our stockholders on or about October 29, 2019.

**Important Notice Regarding the Internet Availability of Proxy Material – Our Proxy Statement and Annual Report to Stockholders are available at [www.paramountnevada.com/PZGProxy.pdf](http://www.paramountnevada.com/PZGProxy.pdf).**

***What is the date, time and place of the Annual Meeting?***

Paramount’s 2019 Annual Stockholders Meeting will be held on Wednesday, December 11, 2019, beginning at 11:00 a.m., local time, at the Company’s office at 220 Morton Street East, Vale, Oregon, 97918.

***What is the purpose of the Annual Meeting?***

At the Annual Meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders on the cover page of this proxy statement, consisting of (1) election of directors; (2) ratification of the selection of MNP LLP as the Company’s independent registered public accounting firm for the fiscal year ending June 30, 2020; (3) approval of the Company to have the ability to pay interest on outstanding convertible notes in common stock in accordance with Section 713(a) of the NYSE American Company Guide and (4) any other matters that properly come before the Annual Meeting.

***Who is entitled to vote at the Annual Meeting?***

Only our stockholders of record at the close of business on October 15, 2019, the Record Date for the Annual Meeting, are entitled to receive notice of and to participate in the annual meeting. If you were a stockholder of record on that date, you will be entitled to vote all of the shares you held on that date at the meeting, or any postponement(s) or adjournment(s) of the Annual Meeting. As of the Record Date, there were 27,616,745 shares of common stock outstanding, all of which are entitled to be voted at the Annual Meeting.

A list of stockholders will be available at our headquarters at 665 Anderson Street, Winnemucca, Nevada, 89445, as of the mail date, October 29, 2019 through to the Annual Meeting and at the Annual Meeting itself for examination by any stockholder.

***Why am I receiving these materials?***

You are receiving these materials because, as of October 15, 2019, the Record Date for the Annual Meeting, you owned shares of Paramount common stock. Paramount has made these materials available to you on the Internet or has delivered printed versions of these materials to you by mail, in connection with the Company’s Board of Directors’ solicitation of proxies for use at the annual meeting of stockholders to be held on Wednesday, December 11, 2019 at 11:00 a.m. local time. These proxy materials give you information to determine how to vote in connection with the Annual Meeting.

***What proposals will be voted on at the Annual Meeting?***

Stockholders will vote on three proposals at the Annual Meeting:

- The election to the Board of the seven nominees named in this proxy statement (Proposal No. 1);
- Ratification of appointment of MNP LLP as Paramount’s independent registered public accounting firm for the fiscal year ending June 30, 2019 (Proposal No. 2); and
- To approve the payment of interest payable on outstanding convertible notes in common stock in accordance with Section 713(a) of the NYSE American Company Guide (Proposal No. 3).

***What are the Board of Directors' voting recommendations?***

The Board recommends that you vote your shares:

- “FOR” each of the nominees to the Board (Proposal No. 1);
- “FOR” ratification of the appointment of MNP LLP as Paramount’s independent registered public accounting firm for the fiscal year ending June 30, 2020 (Proposal No. 2); and
- “FOR” the approval to pay interest payable on outstanding convertible notes in common stock in accordance with Section 713(a) of the NYSE American Company Guide (Proposal No. 3).

***Where is Paramount's head office? And what is Paramount's main telephone number?***

Our head office is located at 665 Anderson Street, Winnemucca, Nevada, 89445. Our telephone number is (775) 625-3600.

***Why did I receive a one-page notice in the mail regarding the Internet availability of proxy material instead of a full set of proxy materials?***

Pursuant to rules adopted by the SEC, the Company has elected to provide access to its proxy materials via the Internet. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (“Notice”) to the Company’s stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. The Company encourages stockholders to take advantage of the availability of the proxy materials on the Internet to expedite the stockholders’ receipt of proxy material, help lower the cost of the Annual Meeting and reduce the environmental impact of its annual meetings.

However, if a stockholder would prefer to receive printed proxy materials, the stockholder may follow the instructions included in the Notice.

***How can I get electronic access to the proxy material?***

The Notice will provide you with instructions regarding how to access the proxy materials on the Internet for the Annual Meeting. Also, the Notice will indicate how to instruct Paramount to send future proxy materials to you by email. Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meeting of stockholders on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it. The Annual Report on Form 10-K accompanies the proxy materials but is not considered part of the proxy soliciting materials.

You can also access proxy materials on the Company’s website at [www.paramountnevada.com/pzgproxy.pdf](http://www.paramountnevada.com/pzgproxy.pdf)

***Who is entitled to vote at the Annual Meeting?***

For each matter, stockholders have one vote for each share of Company common stock held by such stockholder as of the Record Date (defined in the next sentence). Only stockholders of record as of the close of business on October 15, 2019 (the “Record Date”) are entitled to receive notice of, to attend and to vote at the Meeting. As of the Record Date, there were 27,616,745 shares of Paramount’s common stock issued and outstanding.

***How do I vote my shares if I am a shareholder of record?***

There are four ways to vote:

- *In person.* If you are a stockholder of record, you may vote in person at the Annual Meeting. The Company will give you a ballot when you arrive.
- *Via the Internet.* You may vote by proxy via the Internet by following the instructions provided on the ballot.

- *By Telephone.* With your proxy card in hand, you may vote by proxy by calling the toll free number found on the ballot.
- *By Mail.* You may vote by proxy by filling out the proxy card and sending it back in the envelope provided.

***How do I vote my shares if I am a beneficial owner of shares held in street name as of the Record Date?***

There are four ways to vote:

- *In person.* If you are a beneficial owner of stock held in street name and you wish to vote in person at the Meeting, you must obtain a legal proxy from the organization that holds your shares. Please contact that organization for instructions regarding obtaining a legal proxy.
- *Via the Internet.* You may vote by proxy via the Internet by visiting [www.proxyvote.com](http://www.proxyvote.com) and entering the control number found on the ballot.
- *By Telephone.* With your proxy card in hand, you may vote by proxy by calling the toll free number found on the ballot.
- *By Mail.* You may vote by proxy by filling out the proxy card and sending it back in the envelope provided.

***What is the quorum requirement for the Annual Meeting?***

One-third of the votes entitled to be cast on the matter by a voting group, represented in person or by proxy, constitutes a quorum of that voting group for the action on the matter, and abstentions and broker non-votes will be counted as present for purposes of establishing a quorum. Your shares will be counted for purposes of determining if there is a quorum, whether representing votes for, against or abstained, if you:

- Are present and vote in person at the Annual Meeting; or
- Have voted on the Internet, by telephone or by properly submitting a proxy card or vote instruction form by mail.

If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

***How are proxies voted?***

All stock represented by valid proxies received prior to the Annual Meeting will be voted and, where a stockholder specifies by means of the proxy a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the stockholders instructions.

***How are votes counted?***

Votes will be counted by the inspector of election appointed at the Annual Meeting, who will separately count “FOR” and “AGAINST” votes, abstentions and broker non-votes. A “broker non-vote” occurs when a nominee holding stock for a beneficial owner does not receive instructions with respect to the proposals from the beneficial owner.

***What happens if I do not give specific voting instructions?***

If you are a stockholder of record and you either indicate when voting on the Internet or by telephone that you wish to vote as recommended by the Board or sign and return a proxy card without giving specific voting instructions then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this proxy statement and with respect to any other matters properly presented for a vote at the Annual Meeting as the proxy holders may determine in their discretion.

Brokers and other nominees who hold common stock in street name and do not receive instructions from their clients on how to vote on a particular proposal are not permitted to vote on these proposals. The absence of votes from brokers is referred to as broker non-votes. Abstentions and broker non-votes will be counted as present for purposes of establishing a quorum.

***Can I revoke my proxy?***

If you give a proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in any one of three ways:

- You may send in another proxy with a later date.

- You may notify Paramount in writing (by you or your attorney authorized in writing, or if the stockholder is a corporation, under its corporate seal, by an officer or attorney of the corporation) at its corporate offices before the Annual Meeting, that you are revoking your proxy.
- You may vote in person at the Annual Meeting.

***What happens if I do not vote?***

The presence, in person or by proxy, of one-third of the votes entitled to be cast on the matter by a voting group is necessary to constitute a quorum at the Annual Meeting. For purposes of determining whether the stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. Shares held by brokers who do not receive voting instructions on any proposal are not permitted to vote. They are counted as present for the purposes of determining the existence of a quorum at the Annual Meeting.

***If my stock is held in “street name” by my broker, will my broker vote my stock for me?***

If a stockholder’s shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote in person at the Annual Meeting, the stockholder must contact his or her broker or bank and obtain from the record holder a “legal” proxy issued in the stockholder’s name. Absent specific instructions from the beneficial owners of the shares, brokers who hold shares in “street name” for clients no longer have the authority to vote on proposals when they have not received instructions from beneficial owners. Proxies submitted without a vote by brokers on these matters are referred to as “broker non-votes.” Broker non-votes are counted for purposes of determining whether a quorum exists at the Annual Meeting.

***Who bears the cost of soliciting proxies?***

Paramount may require the use of a proxy solicitation firm. Paramount would bear the cost of soliciting proxies and will reimburse brokerage firms and others for expenses involved in forwarding proxy materials to beneficial owners or soliciting their execution. Paramount estimates, that if required, that the costs associated with solicitations of the proxies requested by this proxy statement would be approximately \$15,000 plus out-of-pocket expenses.

In addition to soliciting proxies by mail, certain members of the Company’s directors, officers, and regular employees, without additional compensation, may solicit proxies personally or by telephone, facsimile or email on the Company’s behalf.

***Where can I find more information about Paramount?***

Paramount filed its 2019 Annual Report on Form 10-K with the SEC on September 16, 2019. That report, together with other corporate filings are available for your review on the Internet by visiting the SEC’s website located at [www.sec.gov](http://www.sec.gov). Copies of any reports, including exhibits, will be furnished to stockholders upon written request. All written requests should be directed to: Corporate Communications, Paramount Gold Nevada Corp. 665 Anderson Street, Winnemucca, Nevada, 89445, USA.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which requires that Paramount file reports, proxy statements and other information with the SEC. The SEC maintains a website on the Internet that contains reports, proxy and information statements and other information regarding registrants, including Paramount, that file electronically with the SEC. The SEC’s website address is [www.sec.gov](http://www.sec.gov). In addition, Paramount’s Exchange Act filings may be inspected and copied at the public reference facilities of the SEC located at 100 F Street, N.E., Washington, D.C. 20549. Copies of the material may also be obtained upon request and payment of the appropriate fee from the Public Reference Section of the SEC located at 100 F Street, N.E., Washington, D.C. 20549. Paramount’s filings with the applicable Canadian securities regulators are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”), and may be viewed at the following website address: [www.sedar.com](http://www.sedar.com).

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than ten percent of our common stock (“Section 16 Insiders”) to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock.

To our knowledge based solely on a review of the copies of such reports furnished to us and the Section 16 Insiders’ representations to us, for the year ended June 30, 2019, our Section 16 Insiders complied with their respective filing requirements under Section 16(a) on a timely basis with exception of John Carden, who purchased 9,821 shares of common stock on October 10, 2018 at \$1.16 per share.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows information regarding the beneficial ownership of our common stock for the following:

- Each stockholder known by us to beneficially own more than 5% of our common stock;
- Each of our current directors;
- Each executive officer named in the Summary Compensation Table in “Executive Compensation;” and
- All directors and executive officers as a group.

All information is as of the Record Date, except as noted otherwise.

<u>Name of Beneficial Ownership (1)</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
FCMI Parent Co.	5,166,310 (2)(3)(4)	18.58 %
Seabridge Gold Inc.	2,823,563 (5)(6)	10.02 %
Carlo Buffone	325,250 (7)	1.17 %
Glen Van Treek	310,501 (8)	1.11%
John W. Seaberg	150,000 (9)	*
Rudi Fronk	449,000 (10)	1.61%
Eliseo Gonzalez-Urien	58,000 (11)	*
Christopher Reynolds	81,500 (12)	*
John Carden	63,000 (13)	*
Pierre Pelletier	16,666 (14)	*
All directors and executive officers as a group (9 persons)	(7)-(14)	5.08 %

- \* Denotes ownership which is less than one percent (1%) of the outstanding shares on October 15, 2019 of 27,616,745.
- (1) In accordance with Rule 13d-3(d)(1) under the Exchange Act the applicable percentage of ownership of each stockholder is based on 27,616,745 shares of Common Stock outstanding as of October 15, 2019, plus any securities held by such stockholder exercisable for or convertible into Common Shares within 60 days after the date of this Proxy Statement.
  - (2) Based on the information set forth on Form 4 filed with the SEC on January 28, 2019 by FCMI Parent Co. (“FCMI”). The address of FCMI is, 181 Bay Street, Suite 250, Toronto, Ontario, Canada M3J 2T2.
  - (3) FCMI exercises control and direction over 4,976,310 Common Shares (representing 18.02% of the outstanding Common Shares as of October 15, 2019 on an undiluted basis) and 190,000 Common Stock purchase warrants. If the 190,000 warrants are exercised, FCMI exercises control and direction over 18.58% of the issued and outstanding Common Shares (after giving effect to the exercise of such warrants, but not the exercise of any other convertible securities of the Corporation).
  - (4) FCMI Financial Corp is a wholly owned subsidiary of FCMI.
  - (5) As reported to Paramount by Seabridge Gold Inc. (“Seabridge Gold”), Seabridge ownership consists of: (i) 2,253,563 shares held; (ii) 160,000 common stock purchase warrants; (iii) 4,100 secured convertible notes which are convertible to 410,000 common shares at an exercise price of \$1.00 per share The address of Seabridge Gold is 106 Front St. East, Toronto, Ontario, Canada, M5A 1E1.
  - (6) Seabridge Gold exercises control and direction over 2,253,363 Common Shares (representing 8.16% of the outstanding Common Shares as of October 15, 2019 on an undiluted basis) 160,000 Common Stock purchase warrants and 4,2100 convertible notes are converted to 410,000 common shares. If the 160,000 warrants are exercised, Seabridge Gold exercises control and direction over 10.02% of the issued and outstanding Common Shares.

- (7) Consists of: (i) 50,250 shares held; (ii) 275,000 options which have vested and are exercisable as of September 30, 2019.
- (8) Consists of: (i) 35,501 shares held; and (ii) 275,000 options which have vested and are exercisable as of September 30, 2019.
- (9) Consists of 150,000 options which have vested and are exercisable as of September 30, 2019.
- (10) Consists of 199,000 shares held and 2,500 secured convertible notes which are convertible to 250,000 common shares at an exercise price of \$1.00 per share.
- (11) Consists of: (i) 8,000 shares held; and (ii) 50,000 options which have vested and are exercisable as of September 30, 2019.
- (12) Consists of: (i) 31,500 shares held; and (ii) 50,000 options which have vested and are exercisable as of September 30, 2019.
- (13) Consists of: (i) 13,000 shares held; and (ii) 50,000 options which have vested and are exercisable as of September 30, 2019.
- (14) Consists of 16,666 options which have vested and are exercisable as of September 30, 2019.

## MATTERS TO COME BEFORE THE ANNUAL MEETING

### PROPOSAL No. 1: ELECTION OF DIRECTORS

#### Nominees

At the Annual Meeting, seven directors will be elected to serve a one year term or until the next annual stockholders meeting or until such director's successor shall have been elected and qualified following such director's earlier death, resignation or removal.

Our Board has nominated Rudi Fronk, Glen Van Treek, Christopher Reynolds, Eliseo Gonzalez-Urien, John Carden, Pierre Pelletier and John W. Seaberg. All nominees are currently members of the Board.

Each nominee has expressed his willingness to serve as a director if elected, and we know of no reason why any nominee would be unable to serve. If a nominee becomes unavailable before the election, the proxies may be voted for one or more substitute nominees designated by the Board, or the Board may decide to reduce the number of directors.

<u>Name</u>	<u>Age (1)</u>	<u>Position</u>
Rudi Fronk	60	Chairman
Glen Van Treek	54	President, CEO and Director
Christopher Reynolds	55	Director
Eliseo Gonzalez-Urien	78	Director
John Carden	71	Director
Pierre Pelletier	50	Director
John W. Seaberg	52	Director

(1) As of October 29, 2019

Set forth below is certain information with respect to each director nominee:

#### RUDI FRONK

Mr. Fronk, a graduate of Columbia University from which he holds a Bachelor of Science in Mining Engineering and a Master of Science in Mineral Economics, has over 30 years of experience in the gold sector primarily as a senior officer and director of publically traded gold exploration/development companies.

Mr. Fronk was appointed to Paramount's Board of Directors in January 2017 and on October 11, 2019 was appointed by the Board of Directors as Chairman. In 1999, Mr. Fronk co-founded Seabridge Gold Inc. ("Seabridge Gold"), a US\$750 million market cap company with proven and probable gold reserves exceeding 45 million ounces and one of the world's largest resource bases of gold and copper. He currently serves as Chairman and as the Seabridge Gold's CEO, a position he has held since its inception.

#### GLEN VAN TREEK

Mr. Van Treek is the President, Chief Executive Officer and has been a director of Paramount since February 2015. He was formerly the Chief Operating Officer and V.P. Exploration of Paramount Gold and Silver Corp and served in this role from January 2011 through the April 2015 merger with Coeur Mining, Inc. He has over 25 years of progressive global experience in all stages of mineral exploration. Prior to joining Paramount, for ten years he held various senior positions at Teck Resources Ltd. and most recently he managed the production geology, resource modeling and exploration programs at Teck's Quebrada Blanca mine in Chile. Prior to his experience at Teck, Mr. Van Treek held positions with Placer Dome and other junior exploration companies. He is a graduate geologist from the University of Chile.

#### CHRISTOPHER REYNOLDS

Mr. Reynolds has over 25 years of mineral industry and public accounting experience and has been a director of Paramount since February 2015 and a director of Paramount Gold and Silver Corp. from December 2009 through April 2015 when the merger with Coeur Mining, Inc. was completed. Since May 2011, he has been the Vice President Finance and Chief Financial Officer of Seabridge Gold Inc., a TSX and NYSE listed corporation. From October 2007 to April 2011, he served as Vice President, Finance and Chief Financial Officer of Norsemont Mining Inc. and, prior to that, he served as Senior Vice President, CFO and Secretary of Southern Era Diamonds Inc. He has held various finance and accounting positions at Southern Platinum Corp., TVX Gold Inc., Inmet

Mining Corporation and Price Waterhouse, now PricewaterhouseCoopers. Mr. Reynolds also served as a director of Arizona Star Resource Corp. Mr. Reynolds is a CPA, CGA and received a B.A. (Economics) from McGill University.

**ELISEO GONZALEZ-URIEN**

Mr. Gonzalez-Urien has been a director of Paramount since February 2015 and a director of Paramount Gold and Silver Corp. from March 2009 through the merger with Coeur Mining, Inc. in April 2015. He also serves as a member of the board of directors of Seabridge Gold since January 2006 and as a consulting geologist for Seabridge Gold since March 2003. He is an exploration geologist with over 30 years of experience in the mining industry. From 1989 through 2001 Mr. Gonzalez-Urien held various executive positions with Placer Dome Inc. including senior vice president of the parent company and president of Placer Dome Exploration Inc. During this period he was charged with responsibility for Placer Dome's worldwide exploration activities. Prior to Placer Dome, Mr. Gonzalez-Urien held senior positions with BHP-Utah Inc. and Noranda. He holds a degree in geology from the University of Santiago, Chile, followed by post graduate studies in geology at the University of California, Berkeley.

**JOHN CARDEN, PH.D.**

Dr. Carden has more than 35 years in experience in exploration management, teaching and research and has been a director of Paramount since February 2015 and a director of Paramount Gold and Silver Corp. from September 2006 through the completion of the merger with Coeur Mining, Inc. in April 2015. Since 2001 he has been a geologic consultant and a director of a number of junior resource companies each which were TSX Venture Exchange listed companies. Dr. Carden worked as a senior exploration geologist for Exxon Minerals, Atlas Precious Metals, Tenneco, and Echo Bay Mines and later was Director of U.S. Exploration from 1992 until 1998 for Echo Bay Mines. From 2010 to the present, Dr. Carden has acted as a geologic consultant to Otis Gold Corp. He is a Licensed Professional Geologist in the State of Washington. Dr. Carden received his B.Sc. and M.Sc. in geology From Kent State University in Ohio, and his doctorate in geology from the Geophysical Institute at the University of Alaska in 1978.

**PIERRE PELLETIER**

Mr. Pelletier is an environmental engineer, with a Masters of Business Administration from Queens University and is a qualified person under National Instrument 43-101, and has been a director of Paramount since September 2016. He has over 20 years of extensive international experience spanning the operational, technical and financial aspects of the environmental consulting industry managing complex environmental and social impact projects. From 2012 through to the end of 2016, he served as managing director of Environmental Resources Management Canada Ltd., a leading global provider of environmental, health, safety, risk, and social consulting services with an emphasis on the mining and oil and gas sectors. Prior to that, from 1998 through 2009, Mr. Pelletier served as a Project Manager for Rescan Environmental Services Ltd. ("Rescan"), managing project and technical development. In 2010, he became President and Chief Operating Officer for Rescan and remained in this role through 2012.

**JOHN W. SEABERG**

Mr. Seaberg has over 20 years of experience in the mining industry spanning a wide array of positions with a focus on strategic relationships. Mr. Seaberg completed a Bachelor of Science and Business Administration at Colorado State University, which he followed up with a Master of Business Administration from the University of Denver.

Mr. Seaberg was appointed to the Board in June 2018 and served as the Board's Executive Chairman until October 8, 2019. In 2019, Mr. Seaberg joined Calibre Mining as its Senior Vice President and Chief Financial Officer. From 2015-2018, Mr. Seaberg acted as Senior Vice President, Strategic Relations for Klondex Mines and was responsible for executing the company's global Investor Relations Strategy. In his 10 years with Newmont Mining from 2003-2013, the world's second largest gold producer, Mr. Seaberg served several roles including Vice President of Investor Relations and Director of Corporate Development. Prior to his tenure with Newmont, Mr. Seaberg spent 6 years with Apex Silver Mines Corporation, a silver producer, serving as controller and treasurer.

**Required Vote**

Regarding the election of directors, if a quorum is present, a majority of the votes properly cast for election of directors is sufficient to elect directors. Votes to withhold authority are considered properly cast; broker non-votes are not treated as votes cast. As a result, banks and brokers will not be able to vote on the election of directors without instructions from the beneficial owners. We encourage all stockholders who hold shares through a bank, broker or other holder of record to provide voting instructions to such parties to ensure that their shares are voted at the Annual Meeting.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY  
RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH NOMINEE UNDER PROPOSAL No. 1.**

## PROPOSAL No. 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board has selected the firm of MNP LLP as Paramount’s independent registered public accounting firm for the fiscal year ending June 30, 2020 and is submitting this selection for ratification by our stockholders at the Annual Meeting. In the event that our stockholders do not ratify the selection of MNP LLP, the Board will consider making a change of its auditors for the fiscal year ending June 30, 2021.

### Fees Paid to Auditors

The following table set forth the fees accrued or paid to the Company’s independent registered public accounting firm for the year ended June 30, 2019 and 2018.

	2019	2018
Audit Fees (1)	\$ 32,548	\$ 45,899
Audit-Related Fees (2)	-	-
Tax Fees (3)	\$ 4,857	\$ 19,257
All Other Fees	-	-
Total	\$ 37,405	\$ 65,156

- (1) Audit fees relate to professional services rendered in connection with the audit of the Paramount’s annual financial statements and internal control over financial reporting, quarterly review of financial statements included in the Paramount’s Quarterly Reports on Form 10-Q and audit services provided in connection with other statutory and regulatory filings.
- (2) Audit related fees comprise of fees for professional services that are reasonably related to the performance of the audit or review of Paramount’s financial statements not reported under the heading “Audit Fees”
- (3) Tax fees relate to professional services rendered in connection with tax audits, international tax compliance, and international tax consulting and planning services.

### Pre-Approval Policies and Procedures

In accordance with the Audit Committee Charter, all audit (including audit-related) and non-audit services performed by MNP LLP, as described above, were pre-approved by the Audit Committee, which concluded that the provision of such services by our independent registered public accounting firm was compatible with the maintenance of that firm’s independence in the conduct of its auditing functions. The Audit Committee Charter authorizes the Audit Committee to appoint a subcommittee of one or more members of the Audit Committee and/or to pre-approve non-audit services by establishing detailed pre-approval policies as to the particular service, provided that the Audit Committee is informed of each service pre-approved (no less frequently than at each meeting of the Audit Committee) and that no pre-approval shall be delegated to Paramount’s management except as permitted by applicable law and regulation. In considering whether to pre-approve any non-audit services, the Audit Committee (or its delegates) considers whether the provision of such services is compatible with maintaining the independence of our independent registered public accounting firm.

### Required Vote

In order to become effective, the proposal to ratify the appointment of MNP LLP as Paramount’s independent registered public accounting firm for the year ending June 30, 2020 requires the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote.

## RECOMMENDATION OF THE BOARD OF DIRECTORS

**THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF MNP LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM UNDER PROPOSAL No. 2.**

### **PROPOSAL No. 3: APPROVAL FOR THE COMPANY TO PAY INTEREST ON OUTSTANDING CONVERTIBLE NOTES IN COMMON STOCK IN ACCORDANCE WITH SECTION 713(a) OF THE NYSE AMERICAN COMPANY GUIDE**

Our common stock, par value \$0.01 is currently listed on the NYSE American LLC. Section 713(a) of the NYSE American Company Guide requires stockholder approval as a prerequisite to approval of applications to list additional shares that are issued in connection with a transaction involving the sale, issuance or potential issuance by an issuer of common stock (or securities convertible into common stock) representing 20% or more of such issuer's presently outstanding stock for less than the greater of book or market value of the stock.

As described in greater detail below, on September 10, 2019, the Company accepted subscriptions from various accredited investors for the purchase of senior secured convertible notes (the "Convertible Notes") in a private placement. The Company's obligations under the Convertible Notes are secured pursuant to a security agreement covering all assets of the Company. Based in part upon the representations of the investors set forth in the subscription agreements, the Convertible Notes and the underlying common stock were offered and sold pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as an issuance not involving a public offering.

#### *Description of Convertible Notes*

On September 10, 2019, the Company received binding commitments for a private placement of Convertible Notes for gross proceeds totaling \$5.34 million. Each Convertible Note had an issue price of \$975 per \$1,000 face amount with a four year maturity. The Convertible Notes bear interest at a rate of 7.5% per annum, payable semi-annually in cash or common stock, at the election of the Company. The principal amount of the Convertible Notes will be convertible at a price of \$1.00 per share of common stock of the Company. At any point after the second anniversary of the issuance of the Convertible Notes, the Company may force conversion if the share price remains above \$1.75 for 20 consecutive trading days.

Pursuant to and in accordance with the terms and conditions set forth in the Convertible Notes, the Company may, at its option following written notice to each holder of the Convertible Notes pay interest accruing thereunder, in whole or in part, in shares of common stock of the Company. The amount of common stock to be issued in payment of interest is based on the "Interest Conversion Price" meaning, that price which shall be the arithmetic average of the weighted average prices of the common stock on each trading day during the twenty (20) consecutive trading days immediately preceding the applicable interest date, multiplied by 95%.

While the number of shares of common stock issuable upon conversion of the Convertible Notes is less than the 20% threshold requiring stockholder approval pursuant to the rules of the NYSE American, if the Company does use common stock to pay interest in the Convertible Notes, it is likely that the 20% threshold will be exceeded. As a result, NYSE American Rule 713(a)(ii) requires that we obtain stockholder approval of the common stock that may be issued in payment of interest under the Convertible Notes. Accordingly, we seek your approval of Proposal No. 2 in order to satisfy the requirements of NYSE American Rule 713(a)(ii). If Proposal 2 is not approved by the stockholders, the Company will not be able to pay a portion of the interest under the Convertible Notes in common stock and may need to seek additional sources of cash to pay such interest.

The form of the Convertible Note was filed as Exhibit 4.1 to the Company's Form 8-K filed on September 13, 2019. The summaries of the terms of these documents contained herein are subject to, and qualified in their entirety by, such documents, which are incorporated herein by reference.

#### *Stockholder Approval*

In order to become effective, the proposal enabling the Company, at its discretion, to pay interest on the outstanding Convertible Notes in common stock of the Company requires the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote. Broker non-votes will not be counted in evaluating the results of the vote.

### **RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" APPROVAL FOR THE COMPANY TO PAY INTEREST ON OUTSTANDING CONVERTIBLE NOTES IN COMMON STOCK IN ACCORDANCE WITH SECTION 713(a) OF THE NYSE AMERICAN COMPANY GUIDE PROPOSAL NO. 3**

## **BOARD MEETINGS AND COMMITTEES; ANNUAL MEETING ATTENDANCE**

Our Board of Directors currently consists of seven directors. They are: Glen Van Treek, John W. Seaberg, Rudi Fronk, Dr. John Carden, Eliseo Gonzalez-Urien, Christopher Reynolds, and Pierre Pelletier. The rules of the NYSE American require that a majority of our directors be independent directors. The Board has determined that Dr. Carden and Messrs., Fronk, Gonzalez-Urien, Reynolds, and Pelletier are independent directors having satisfied the independence requirements pursuant to the “non-employee director” definition of Rule 16b-3 promulgated under Section 16 of the Exchange Act and National Instrument 58-101 of the Canadian Securities Administrators (“CSA”) and pursuant to the “independent director” definition in Section 803A of the rules of the NYSE American. Mr. Reynolds is considered a “financial expert”.

During our last fiscal year, our Board met a total of eight times. Each of our directors attended no less than 75% of our director meetings and no less than 75% of any committee meetings on which they serve.

An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by resolution of the board of directors of the Corporation or a duly authorized committee thereof. Except as otherwise required by law, special meetings of stockholders of the Company for any purpose(s) may be called at any time only by or at the direction of (a) the board of directors of the Company, (b) the chairman of the board of directors or (c) two or more directors.

Although we do not have a formal policy regarding attendance by members of the Board at our annual meeting of stockholders, we encourage directors to attend and historically more than a majority have done so either in person or made themselves available by telephone.

### **Board Leadership Structure**

The Board of Directors until recently separated the roles of Executive Chairman of the Board and Chief Executive Officer. With the resignation of Mr. Seaberg as Executive Chairman on October 8, 2019, the Board appointed Rudi Fronk as the new non-Executive Chairman on October 11, 2019. Each year, our Corporate Governance and Nominating Committee assesses these roles and the board leadership structure to ensure the interests of Paramount and its stockholders are best served. Glen Van Treek continues to serve as our President and Chief Executive Officer.

### **Committees of the Board**

The Board has five standing committees: an Audit Committee; a Compensation Committee; a Corporate Governance and Nominating Committee; an Independent Committee; and a Technical Committee. A minimum of two directors serve on each committee. Current membership on the various committees is as follows:

- Compensation Committee: Rudi Fronk (Chair), Eliseo Gonzalez-Urien and Dr. John Carden;
- Corporate Governance and Nominating Committee: Dr. John Carden (Chair), Rudi Fronk, Christopher Reynolds, Eliseo Gonzalez-Urien, and Pierre Pelletier;
- Audit Committee: Christopher Reynolds (Chair), Dr. John Carden, and Pierre Pelletier;
- Independent Committee: John Carden (Chair) and Pierre Pelletier; and
- Technical Committee: Pierre Pelletier (Chair), Rudi Fronk and Eliseo Gonzalez Urien.

The committees generally meet throughout the year to review matters within each committee’s jurisdiction as more fully set forth below. Our Audit Committee met four times during the last fiscal year. Our Corporate Governance and Nominating Committee met twice during the fiscal year ended June 30, 2019. Our Compensation Committee did not meet in the fiscal year ended June 30, 2019. Our Independent Committee met once during the fiscal year ended June 30, 2019. Our Technical Committee met twice in the fiscal year ended June 30, 2019.

Copies of the charters for the Audit Committee, Corporate Governance and Nominating Committee, Technical Committee and the Compensation Committee are available on Paramount’s website located at [www.paramountnevada.com](http://www.paramountnevada.com).

The primary purpose of the Compensation Committee is to review, on an annual basis or as it deems appropriate, the performance of our executive officers, to review the amount and form of compensation payable to our executive officers and to report

to the Board on an annual basis, making recommendations regarding compensation of our executive officers. In addition, the Compensation Committee administers our equity compensation plans.

The Audit Committee oversees the accounting and financial reporting processes of Paramount and audits of the financial statements of Paramount. The Audit Committee has the sole authority to retain and terminate the independent registered public accounting firm that examines our financial statements.

The Corporate Governance and Nominating Committee is comprised of all the independent board members. The committee focuses on a wide array of responsibilities including, but not limited to the following: to determine criteria for selecting new directors; identify or seek out individuals qualified to become directors; consider nominations of director candidates validly made by stockholders; review and make recommendations to the Board concerning qualification, appointment and removal of committee members; review and make recommendations to the Board concerning any amendments to the Company's corporate governance documents; and to review and make recommendations to the Board concerning corporate governance issues, issues of broad social significance and responsible conduct.

The primary purpose of the Independent Committee is to approve the terms and pricing of financings including associated documents.

The Technical Committee's primary purpose is to meet with management on a regular basis to discuss areas of focus, processes and programs, including those related to project development.

## **THE COMPENSATION COMMITTEE**

The Compensation Committee is comprised of three independent directors, currently consisting of Messrs. Fronk (Chair), Gonzalez-Urien, and Dr. Carden.

The Compensation Committee assists the Board in overseeing executive compensation and administers Paramount's executive bonus and equity compensation plan. The Compensation Committee's primary responsibilities include:

- evaluating the performance of and establishing compensation for Paramount's President and Chief Executive Officer;
- establishing compensation levels for Paramount's directors and executive officers and reviewing executive compensation matters generally;
- making recommendations to the Board with respect to approval and adoption of all cash and equity-based incentive plans; and
- approving awards of options, restricted shares, restricted share units and other equity rights to executive officers.

The Compensation Committee's further responsibilities are discussed more fully in its charter.

### *Compensation Committee Report*

The Compensation Committee of the Board has reviewed and discussed the "Compensation Discussion and Analysis" section of this Proxy Statement with management. Based on this review and these discussions, the Compensation Committee recommended to the Board that the section entitled "Compensation Discussion and Analysis" be included in this Proxy Statement and incorporated by reference into Paramount's Annual Report on Form 10-K for the fiscal year ended June 30, 2019.

Submitted by the Compensation Committee of the Board,  
Rudi Fronk, Chair  
Eliseo Gonzalez-Urien  
John Carden

## THE AUDIT COMMITTEE

The Audit Committee currently consists of Messrs. Reynolds (Chair), Pelletier, and Dr. John Carden. The Board has determined that each member of the Audit Committee is independent under NYSE American rules and Rule 10A-3 under the Exchange Act. Each member of the Audit Committee is financially literate and experienced in financial matters and has not participated in the preparation of Paramount's financial statements at any time during the past three years. The Board has also determined that Mr. Reynolds is the "audit committee financial expert" within the meaning of applicable SEC regulations.

The Audit Committee assists the Board in its oversight of Paramount's financial reporting, focusing on the integrity of Paramount's financial statements, Paramount's compliance with legal and regulatory requirements, the qualifications and independence of Paramount's independent auditor and the performance of Paramount's internal audit function and independent auditor. The Audit Committee's primary responsibilities include:

- acting as the direct contact with Paramount's independent auditor, who is ultimately accountable to the Audit Committee and the Board;
- appointing the independent auditor, setting the terms of compensation and retention for the independent auditor and overseeing the work of the independent auditor;
- pre-approving all audit and non-audit services provided to Paramount by the independent auditor, except for items exempt from pre-approval requirements under applicable law; and
- acting in respect of all other matters as to which Audit Committee action is required by law or applicable listing standards.

The Audit Committee's responsibilities and key practices are more fully described in its written charter. In accordance with the rules of the NYSE American, the Audit Committee reviews and reassesses the adequacy of its written charter on an annual basis.

### *Audit Committee Report*

*Pursuant to rules adopted by the SEC designed to improve disclosures related to the functioning of corporate audit committees and to enhance the reliability and credibility of financial statements of public companies, the Audit Committee of our Board of Directors submits the following report:*

#### **Audit Committee Report to Stockholders**

The Audit Committee of the Board of Directors is responsible for providing independent, objective oversight of the Company's accounting functions and internal controls. The Audit Committee is composed of three directors, each of whom is independent as defined by the Listing Rules. The Audit Committee operates under a written charter approved by the Board of Directors and held four meetings in fiscal 2019. A copy of the charter is available on the Company's website at [www.paramountnevada.com](http://www.paramountnevada.com) by choosing the "Corporate" link then clicking on the "Governance" section.

Management is responsible for the Company's internal controls over financial reporting, disclosure controls and procedures and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with Public Company Accounting Oversight Board (PCAOB) standards and to issue reports thereon. The Audit Committee's responsibility is to monitor and oversee these processes, including the activities of the internal audit function. The Audit Committee has established a mechanism to receive, retain and process complaints on auditing, accounting and internal control issues, including the confidential, anonymous submission by employees, vendors, customers and others of concerns on questionable accounting and auditing matters.

In connection with these responsibilities, the Audit Committee met with management and the independent registered public accounting firm to review and discuss the June 30, 2019 audited consolidated financial statements. The Audit Committee also discussed with the independent registered public accounting firm the matters required by Statement on Auditing Standards Update No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the PCAOB in Rule 3200T. In addition, the Audit Committee received the written disclosures from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee has discussed the independent registered public accounting firm's independence from the Company and its management.

Based upon the Audit Committee's discussions with management and the independent registered public accounting firm, and the Audit Committee's review of the representations of management and the independent registered public accounting firm, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Company's Annual Report on Form 10-K for fiscal 2019 filed with the SEC.

The Audit Committee also has appointed, subject to stockholder ratification, MNP LLP as the Company's independent registered public accounting firm for fiscal 2020.

Respectfully submitted,

THE AUDIT COMMITTEE  
Christopher Reynolds, Chairman  
John Carden  
Pierre Pelletier

## **THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

The Corporate Governance and Nominating Committee currently consists of Dr. Carden (Chair), Messrs. Fronk, Gonzalez-Urien, Reynolds, and Pelletier. All members of the Committee are independent directors.

The Corporate Governance and Nominating Committee assists the Board in carrying out its oversight responsibilities relating to the composition of the Board and further assists the Board by regularly assessing and making recommendations to improve the Company's governance practices.

The Committee's primary responsibilities include considering and making recommendations to the Board with respect to nominees for election to the Board consistent with criteria approved by the Board or the Committee, including director candidates submitted by Paramount's stockholders.

The Corporate Governance and Nominating Committee's responsibilities and key practices are more fully described in its charter.

### *Director Nominees*

The Corporate Governance and Nominating Committee utilizes a variety of methods for identifying and evaluating director nominees. The Committee may consider candidates recommended by Paramount's directors, members of management, professional search firms or stockholders. These candidates may be considered at any point during the year. The members of the Nominating Committee evaluate potential nominees, whether proposed by stockholders or otherwise, by reviewing their qualifications, reviewing results of personal and reference interviews and reviewing other relevant information. Candidates whose evaluations are favorable are then chosen by a majority of the members of the Nominating Committee to be recommended for nomination by the full Board. The full Board then selects and nominates candidates for election as directors by the stockholders at the Annual Meeting.

To date, our Corporate Governance and Nominating Committee has not paid a fee to any third party to identify or evaluate prospective nominees.

### *Qualifications*

In evaluating nominees for election as a director, the Corporate Governance and Nominating Committee considers a number of factors, including the following:

- personal and professional qualities, characteristics, attributes, accomplishments and reputation in the business community and otherwise;
- reputation in a particular field or area of expertise;
- current knowledge and contacts in the markets in which Paramount does business and in Paramount's industry and other industries relevant to Paramount's business;
- the ability and willingness to participate fully in board activities, including attendance at, and active participation in, meetings of the Board and its committees;
- the skills and personality of the nominee and how the Committee perceives the nominee will fit with the existing directors and other nominees in maintaining a Board that is collegial and responsive to the needs of Paramount and its stockholders;
- the willingness to represent the best interests of all of Paramount's stockholders and not just one particular constituency; and the diversity of viewpoints, background and experience, compared to those of existing directors and other nominees.

## **THE INDEPENDENT COMMITTEE**

The Independent Committee of the Board of Directors currently consists of two members, they are: Dr. Carden (Chair), and Mr. Pelletier.

The committee, on behalf of the Board is authorized to negotiate and approve the terms associated with offerings including all associated documents. The committee may authorize an officer to execute and deliver transaction documents that the committee deems such terms and provisions necessary or desirable.

In addition the Independent Committee is authorized to consider, and if deemed advisable, to approve the participation in the offering of any related party to the Company, including any officer, director or significant stockholder.

## **THE TECHNICAL COMMITTEE**

The Technical Committee of the Board of Directors currently consists of three members, they are: Messrs. Pelletier (Chair), Fronk and Gonzalez-Urien.

The committee, on behalf of the Board is to have periodic discussions with management related to the areas of focus related to process, programs, including environmental, social and those related to project development. The committee is to ensure that management is taking appropriate measures to achieve compliance with appropriate laws and legislation, and to ensure that principle risks and opportunities related to the area of focus are identified. The committee is to ensure that management has the proper resources allocated to address these risks and opportunities. The committee is to provide advice, counsel and recommendations to management as the committee deems appropriate.

### *Related Person Transaction Policies and Procedures*

It is our practice and policy to comply with all applicable laws, rules and regulations regarding related party transactions, including the Sarbanes-Oxley Act of 2002. A related person is any executive officer, director, or more than 5% stockholder of the Company, including any of their immediate family members, and any entity owned or controlled by such persons. Our Audit Committee has been charged with responsibility for approving all related party transactions as part of the Audit Committee's overall responsibilities as set forth in its charter. In considering related party transactions, the Audit Committee takes into account the relevant available facts and circumstances. In the event a director has an interest in the proposed transaction, the director must recuse himself from the deliberations and approval.

During the fiscal year ended June 30, 2019, independent directors as a group, were paid or accrued \$60,000 for their services as directors of the Company's Board. During the year ended June 30, 2019, the Company recorded no non-cash transaction to recognize stock based compensation for directors versus the year ended June 30, 2018 in which the Company recorded an amount of \$93,033.

## **EQUITY COMPENSATION PLAN INFORMATION**

Set out below is information as of October 10, 2019 with respect to compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance under our 2015 Plan and Amended 2016 Plan.

## Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price per share of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,568,995	\$ 1.50	600,000
Equity compensation plans not approved by security holders	—	\$ —	—
<b>TOTAL</b>	<b>1,568,995</b>		<b>600,000</b>

## EXECUTIVE COMPENSATION

The Summary Compensation Table summarizes the total compensation of our named executive officers (“NEOs”) for the fiscal year ended June 30, 2019, and the prior two fiscal years to the extent required under the SEC rules.

### Summary Compensation Table

<u>Name and Principal Position</u>	Year	Salary	Bonus(1)	Awards	Option Awards(1)	Non- Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation		All Other Compensation	Total
							Earnings	Compensation		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Glen Van Treek <i>President and CEO</i>	2019	\$ 200,000	— \$	— \$	— \$	—	— \$	—	— \$	\$ 200,000
	2018	\$ 200,000	\$ 20,000	— \$	27,419 \$	—	— \$	—	— \$	\$ 247,419
	2017	\$ 200,000	\$ 40,000	— \$	— \$	—	— \$	—	— \$	\$ 240,000
Carlo Buffone <i>Chief Financial Officer</i>	2019	\$ 200,000	— \$	— \$	— \$	—	— \$	—	— \$	\$ 200,000
	2018	\$ 200,000	\$ 20,000	— \$	27,419 \$	—	— \$	—	— \$	\$ 247,419
	2017	\$ 200,000	\$ 40,000	— \$	— \$	—	— \$	—	— \$	\$ 240,000
John W. Seaberg <i>Executive Chairman</i>	2019	\$ 200,000	— \$	— \$	— \$	—	— \$	—	— \$	\$ 200,000
	2018	\$ 4,167(2)	— \$	— \$	132,495 \$	—	— \$	—	— \$	\$ 136,662

- The amounts reported reflect the aggregate grant fair value of option awards granted during the year as computed in accordance with FASB ASC Topic 718. The assumptions used to calculate these amounts are discussed in Note 6 to our notes to consolidated financial statements included in our Annual Report on Form 10-K, as filed with the SEC on September 16, 2019. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to market based vesting conditions.
- John W. Seaberg was appointed Executive Chairman of the Board on June 25, 2018 and resigned from that position on October 8, 2019. See the section entitled “Employment Agreements” below.

## Narrative to Summary Compensation Table

### *Executive Employment Arrangements*

On August 10, 2016, we amended the employment agreements with Mr. Van Treek and Mr. Buffone. On October 17, 2018, we entered into an employment agreement with Mr. Seaberg. For a description of the terms and conditions of the employment agreements, please see the section entitled “Employment Agreements” below.

### *2018 Salaries*

The named executive officers receive a base salary to compensate them for services rendered to our Company. The base salary payable to each named executive officer is intended to provide a fixed component reflecting the executive’s skill set, experience, role and responsibilities.

### *2018 Bonuses*

In February, 2018, Mr. Van Treek and Mr. Buffone were each granted a performance based cash bonus in the amount of \$20,000. These bonuses were paid during the fiscal year ended June 30, 2018.

### *Equity Based Compensation*

On June 16, 2015, we adopted the 2015 Stock Incentive and Equity Compensation Plan (the “2015 Plan”). On December 14, 2016, stockholders ratified the 2016 Stock Incentive and Equity Compensation Plan (the “2016 Plan”). An amendment to the 2016 Plan (the “Amendment” and together with the 2016 Plan, the “Amended 2016 Plan”), to increase the number of shares available under the plan, was adopted by the Board on October 17, 2018, and was approved by stockholders on December 12, 2018. The purpose of the 2015 Plan and the Amended 2016 Plan is to attract, retain and reward officers, employees, directors, consultants and advisors to the Company and its subsidiaries and affiliates, provide equitable and competitive compensation opportunities, authorize incentive awards that appropriately reward achievement of our goals and recognize individual contributions without promoting excessive risk and promote creation of long-term value for stockholders by closely aligning the interests of participants with the interests of stockholders.

### *Types of Awards*

The 2015 Plan and the Amended 2016 Plan authorize a broad range of awards, including:

- stock options;
- stock appreciation rights (“SARs”);
- restricted stock, a grant of actual shares subject to a risk of forfeiture and restrictions on transfer; and
- other awards based on common stock.

On June 25, 2018, Mr. Seaberg was granted 150,000 stock options.

### *Employment Agreements*

On August 10, 2016, we entered into amended employment agreements (collectively, the “Employment Agreements”) with Mr. Van Treek and Mr. Buffone. On October 17, 2018, we entered into an employment agreement with Mr. Seaberg, however, Mr. Seaberg resigned as Executive Chairman on October 8, 2019 and his Employment Agreement is terminated. The material terms of such agreements are summarized below:

#### Base Salary, Annual Bonus and Equity Compensation

The Employment Agreements provide Mr. Van Treek, Mr. Buffone and Mr. Seaberg with annual base salaries of \$200,000 each. Each executive is entitled to participate in the Company’s benefit plans, and paid vacation in accordance with Company policies. The Employment Agreements also provide that each executive shall be granted cash performance bonuses and equity incentives on a periodic basis at the discretion of the Board of Directors.

Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Employee for Good Reason

The Employment Agreements for Mr. Van Treek and Mr. Buffone provide for amounts to be paid upon termination of employment by the Company other than for just cause, disability or death or is terminated by the executive for good reason in the following aggregate amounts: (i) any unpaid earned annual compensation to and including the date of termination; (ii) an amount equal to two times the annual salary plus two times the average annual bonus paid to the executive in the previous two years; and (iii) an amount equal to all outstanding and accrued vacation pay to the date of termination.

The Employment Agreement for Mr. Seaberg provides for amounts to be paid upon termination of employment by the Company other than for just cause, disability or death or is terminated by the executive for good reason in the following aggregate amounts: (i) any unpaid earned annual compensation to and including the date of termination; (ii) an amount equal to one times the annual salary plus one times the average annual bonus paid to the executive in the previous two years; and (iii) an amount equal to all outstanding and accrued vacation pay to the date of termination.

Good reason shall include, without limitation, the occurrence of the following: (a) a material change (other than those that are clearly consistent with a promotion) in the executive's position or duties, responsibilities, title or office; (b) a reduction by the Company of the executive's salary; (c) any material breach by the Company of any provision of the employment agreement.

Termination for Just Cause and Termination by the Executive Other Than Good Reason

The Employment Agreements provide if employment of the executive is terminated by the Company for just cause or is terminated by the executive other than for good reason, the Company shall pay to the executive any earned but unpaid annual salary and the Company shall have no further obligation to the executive.

Change of Control

The Employment Agreements for Mr. Van Treek and Mr. Buffone provide for amounts to be paid if the executive's employment is terminated by the Company or by the executive for good reason in the following aggregate amounts: (i) any unpaid earned annual compensation to and including the date of termination; (ii) an amount equal to two times the annual salary plus two times the average annual bonus paid to the executive in the previous two years; and (iii) an amount equal to all outstanding and accrued vacation pay to the date of termination.

The Employment Agreement for Mr. Seaberg provides for amounts to be paid if the executive's employment is terminated by the Company or by the executive for good reason in the following aggregate amounts: (i) any unpaid earned annual compensation to and including the date of termination; (ii) an amount equal to one times the annual salary plus one times the average annual bonus paid to the executive in the previous two years; and (iii) an amount equal to all outstanding and accrued vacation pay to the date of termination.

The Employment Agreements also provide, immediately prior to the control change, the Company may pay an additional discretionary bonus to the executive. The additional discretionary bonus may be any amount and shall be determined by the Board of Directors in their sole and absolute discretion.

Outstanding Equity Awards at Fiscal Year-End June 30, 2019

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Share or Units That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Glen Van Treek	275,000	—	—	\$ 1.53	6/29/20	—	—	—	—
Glen Van Treek	—	36,998(1)	—	\$ 1.40	2/5/23	—	—	—	—
Carlo Buffone	275,000	—	—	\$ 1.53	6/29/20	—	—	—	—
Carlo Buffone	—	36,997(1)	—	\$ 1.40	2/5/23	—	—	—	—
John Seaberg	150,000	—	—	\$ 1.30	6/25/23	—	—	—	—

- (1) The stock option vests and becomes exercisable when one of the following conditions have been met: (i) The issuance of mining permits for the Grassy Mountain Project by the State of Oregon; or (ii) The Company entering into a transformative transaction on its Grassy Mountain or Sleeper projects as determined by the Board of Directors; or (iii) The Company's share price closing above \$3.00 per share for 10 consecutive days.

## DIRECTOR COMPENSATION

### Cash Compensation

Each year, an independent director is eligible to receive a cash retainer of \$10,000 for serving on our Board of Directors. The chairpersons of the audit and technical committees each receive \$5,000 cash retainer in addition to their director cash compensation.

### Equity Compensation

Directors are eligible to receive equity compensation as determined by the Compensation Committee from the 2015 Plan and the Amended 2016 Plan. The purpose of the 2015 Plan and the Amended 2016 Plan is to attract, retain and reward officers, employees, directors, consultants and advisors to the Company and its subsidiaries and affiliates, provide equitable and competitive compensation opportunities, authorize incentive awards that appropriately reward achievement of our goals and recognize individual contributions without promoting excessive risk and promote creation of long-term value for stockholders by closely aligning the interests of participants with the interests of stockholders.

The following table provides information concerning compensation for our non-employee directors for fiscal 2019. Information about Mr. Van Treek's and Mr. Seaberg's compensation for fiscal 2019 is provided with that of the other NEO's in the above Executive Compensation section and accompanying tables.

<u>Name</u>	<u>Fees earned or paid in cash (\$)</u>	<u>Stock awards (\$)</u>	<u>Option awards (1) (\$)</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>Nonqualified deferred compensation earnings (\$)</u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>	<b>(h)</b>
John Carden	\$10,000	—	—	—	—	—	\$10,000
Eliseo Gonzalez-Urien	\$10,000	—	—	—	—	—	\$10,000
Christopher Reynolds	\$15,000	—	—	—	—	—	\$15,000
Pierre Pelletier	\$15,000	—	—	—	—	—	\$15,000
Rudi Fronk	\$10,000	—	—	—	—	—	\$10,000

- (1) The amounts reported reflect the aggregate grant fair value of option awards granted during the year as computed in accordance with FASB ASC Topic 718. The assumptions used to calculate these amounts are discussed in Note 6 to our notes to consolidated financial statements included in our Annual Report on Form 10-K, as filed with the SEC on September 16, 2019. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to market based vesting conditions.

*Outstanding Equity Awards at Fiscal Year-End June 30, 2019*

Name	Option Awards				Stock Awards				Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Share or Units That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	
John Carden	50,000	—	—	\$ 1.53	6/29/20	—	—	—	—
John Carden	—	20,000	(3)	20,000	\$ 1.40	2/5/23	—	—	—
Eliseo Gonzalez-Urien	50,000	—	—	\$ 1.53	6/29/20	—	—	—	—
Eliseo Gonzalez-Urien	—	20,000	(3)	20,000	\$ 1.40	2/5/23	—	—	—
Christopher Reynolds	50,000	—	—	\$ 1.53	6/29/20	—	—	—	—
Christopher Reynolds	—	20,000	(3)	20,000	\$ 1.40	2/5/23	—	—	—
Pierre Pelletier	16,666	—	—	\$ 2.12	9/13/21	—	—	—	—
Pierre Pelletier	—	16,667	(1)	16,667	\$ 2.12	9/13/21	—	—	—
Pierre Pelletier	—	16,667	(2)	16,667	\$ 2.12	9/13/21	—	—	—
Pierre Pelletier	—	20,000	(3)	20,000	\$ 1.40	2/5/23	—	—	—

- (1) The stock option vests and becomes exercisable on September 13, 2017 and the Company's share price closing above 35% of the exercise price for ten days (The ten days do not have to be consecutive).
- (2) The stock option vests and becomes exercisable on September 13, 2018 and the Company's share price closing above 50% of the exercise price for ten days (The ten days do not have to be consecutive).

- (3) The stock option vests and becomes exercisable when one of the following conditions have been met: (i) The issuance of mining permits for the Grassy Mountain Project by the State of Oregon; or (ii) The Company entering into a transformative transaction on its Grassy Mountain or Sleeper projects as determined by the Board of Directors; or (iii) The Company's share price closing above \$3.00 per share for 10 consecutive days.

## CORPORATE GOVERNANCE

### *Directors' Independence*

Our Board currently consists of seven directors. They are: Rudi Fronk, Glen Van Treek, Christopher Reynolds, Eliseo Gonzalez-Urien, John Carden, Pierre Pelletier, and John W. Seaberg. The rules of the NYSE American require that a majority of our directors be independent directors. The Board has determined that Dr. Carden and Messrs. Fronk, Gonzalez-Urien, Pelletier, and Reynolds are independent directors having satisfied the independence requirements pursuant to the "non-employee director" definition of Rule 16b-3 promulgated under Section 16 of the Exchange Act and pursuant to the "independent director" definition in Section 803A of the rules of the NYSE American. Mr. Reynolds is considered a "financial expert."

### *The Board's Role in Succession Planning*

Except as otherwise provided in the Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), the Board of Directors shall consist of at least three (3) individuals and not more than fifteen (15) individuals, with the number of directors within the foregoing fixed minimum and maximum established and changed from time to time as provided in, and in accordance with, the Articles of Incorporation. Each director shall hold office until his or her successor shall be elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation or removal. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office. No provision of this Section 3.2 shall restrict the right of the Board of Directors (or, to the extent permitted under the Articles of Incorporation, the stockholders) to fill vacancies or the right of the stockholders to remove directors, each as provided in the Articles of Incorporation or the the Amended and Restated Bylaws (the "Bylaws").

### *Code of Conduct*

The Board has adopted a Code of Ethics (the "Code") that applies to all our directors and employees, including our principal executive officer and principal financial officer. A copy of the Code is currently available on our website at [www.paramountnevada.com](http://www.paramountnevada.com).

### *Compensation Committee Interlocks and Insider Participation*

Messrs. Fronk (Chair), Gonzalez-Urien, and Dr. Carden serve as members of our Compensation Committee. None of the members of the Compensation Committee is a current or former officer or employee of Paramount, nor did any Compensation Committee member engage in any "related person" transaction that would be required to be disclosed under Item 404 of Regulation S-K.

### *Communications with the Board of Directors*

Stockholders and other interested parties may communicate with the Board or specific directors by mail addressed to: Board of Directors, c/o Paramount Gold Nevada Corp., 665 Anderson Street, Winnemucca, Nevada, 89445. Attn: Corporate Secretary. If you wish to communicate with a specific director, the communication should be sent to the indicated address with the name of the director appearing on the front cover of your communication.

## **STOCKHOLDER PROPOSALS**

For nominations or other business to be properly brought before an annual meeting by a stockholder and for nominations to be properly brought before a special meeting by a stockholder in each case pursuant to Section 2.12, the stockholder of record must have given timely notice thereof in writing to the secretary of the Corporation, and, in the case of business other than nominations, such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting (December 12, 2018); provided that in the event that the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement (as stated in the Bylaws) of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. The notice must be provided by a stockholder of record and must set forth specific criteria as defined in the Articles of Incorporation. Such proposals must also meet the other requirements and procedures prescribed by Rule 14a-8 under the Exchange Act relating to stockholders' proposals.

## **DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS**

To the extent we deliver a paper copy of the proxy materials to stockholders, the SEC rules allow us to deliver a single copy of proxy materials to any household at which two or more stockholders reside, if we believe the stockholders are members of the same family.

We will promptly deliver, upon oral or written request, a separate copy of the proxy materials to any stockholder residing at the same address as another stockholder and currently receiving only one copy of the proxy materials who wishes to receive his or her own copy. Requests should be directed to the attention of our Corporate Secretary by mail to Paramount Gold Nevada Corp., 665 Anderson Street, Winnemucca, Nevada, 89445.

## **OTHER MATTERS**

Upon written request addressed to our Corporate Secretary at 665 Anderson Street, Winnemucca, Nevada 89445 from any person solicited herein, we will provide, at no cost, a copy of our fiscal 2019 Annual Report on Form 10-K as filed with the SEC.

Our Board of Directors does not know of any matter to be brought before the Annual Meeting other than the matters set forth in the Notice of Annual Meeting of Stockholders and matters incident to the conduct of the Annual Meeting. If any other matter should properly come before the Annual Meeting, the persons named in the enclosed proxy card will have discretionary authority to vote all proxies with respect thereto in accordance with their best judgment.

## **DIRECTIONS TO THE ANNUAL MEETING**

The Annual Meeting of Stockholders will be held at the Paramount Gold Nevada Corp. Oregon Office, 220 Morton Street East, Vale, Oregon, 97918 on December 11, 2019 at 11:00 AM Local time.

From Boise International Airport:

- Head southeast on W Airport Way for (0.3 mi)
- Continue straight onto S Vista Ave (0.1 mi)
- Use the left 2 lanes to turn left onto the Interstate 84 W ramp to Nampa (0.4 mi)
- Merge onto I-84 (56.5 mi)
- Take exit 374 for OR-201 toward US-20/US-26/Weiser Vale (0.3 mi)
- Turn right onto OR-201 S/State Hwy 201 (5.0 mi)
- Turn right onto US-20 W/US-26 W (11.8 mi)
- Turn right onto 13th St N (0.1 mi)
- Turn right onto Morton St E - ***Destination will be on the left***

*(This page intentionally left blank)*

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-36908

**PARAMOUNT GOLD NEVADA CORP.**



(Exact name of Registrant as specified in its Charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

98-0138393  
(I.R.S. Employer  
Identification No.)

665 Anderson Street  
Winnemucca, NV  
(Address of principal executive offices)

89445  
(Zip Code)

Registrant's telephone number, including area code: (775) 625-3600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value Per Share	PZG	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES  NO

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES  NO

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES  NO

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Small reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on the NYSE American LLC on December 31, 2018, was \$14,800,948.

The number of shares of Registrant's Common Stock outstanding as of September 12, 2019 was 27,616,745.

Portions of the Registrant's Definitive Proxy Statement relating to the Annual Meeting of Shareholders (the "2019 Proxy Statement") are incorporated by reference into Part III of this Report where indicated. The 2018 Proxy Statement will be filed with the U.S. Securities Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

---

## Table of Contents

	Page
<b>PART I</b>	
Item 1. Business	4
Item 1A. Risk Factors	6
Item 1B. Unresolved Staff Comments	13
Item 2. Properties	13
Item 3. Legal Proceedings	22
Item 4. Mine Safety Disclosures	22
<b>PART II</b>	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	23
Item 6. Selected Financial Data	24
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	24
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	28
Item 8. Financial Statements and Supplementary Data	28
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	29
Item 9A. Controls and Procedures	29
Item 9B. Other Information	29
<b>PART III</b>	
Item 10. Directors, Executive Officers and Corporate Governance	30
Item 11. Executive Compensation	30
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	30
Item 13. Certain Relationships and Related Transactions, and Director Independence	30
Item 14. Principal Accounting Fees and Services	30
<b>PART IV</b>	
Item 15. Exhibits, Financial Statement Schedules	31

*(This page intentionally left blank)*

## Cautionary Note Regarding Forward-Looking Statements

This Form 10-K contains “forward-looking statements” within the meaning of applicable securities laws relating to Paramount Gold Nevada Corp. (“Paramount”, “we”, “us”, “our”, or the “Company”) which represent our current expectations or beliefs including, but not limited to, statements concerning our operations, performance, and financial condition. These statements by their nature involve substantial risks and uncertainties, credit losses, dependence on management and key personnel, variability of quarterly results, and our ability to continue growth. Statements in this annual report regarding planned drilling activities and any other statements about Paramount’s future expectations, beliefs, goals, plans or prospects constitute forward-looking statements. You should also see our risk factors beginning on page 6. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as “may”, “anticipate”, “intend”, “could”, “estimate”, or “continue” or the negative or other comparable terminology are intended to identify forward-looking statements. Other matters such as our growth strategy and competition are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

## GLOSSARY OF MINING TERMS

In this report, the following terms have the following meanings:

alteration – any change in the mineral composition of a rock brought about by physical or chemical means.

assay – a measure of the valuable mineral content.

development stage – a “development stage” project is one which is undergoing preparation of an established commercially mineable deposit for its extraction but which is not yet in production. This stage occurs after completion of a feasibility study.

dip – the angle that a structural surface, a bedding or fault plane, makes with the horizontal, measured perpendicular to the strike of the structure.

disseminated – where minerals occur as scattered particles in the rock.

exploration stage – an “exploration stage” prospect is one which is not in either the development or production stage.

fault – a surface or zone of rock fracture along which there has been displacement.

feasibility study – a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

formation – a distinct layer of sedimentary rock of similar composition.

geochemistry – the study of the distribution and amounts of the chemical elements in minerals, ores, rocks, solids, water, and the atmosphere.

geophysical surveys – a survey method used primarily in the mining industry as an exploration tool, applying the methods of physics and engineering to the earth’s surface.

grade – quantity of metal per unit weight of host rock.

heap leach – a mineral processing method involving the crushing and stacking of an ore on an impermeable liner upon which solutions are sprayed to dissolve metals, e.g., gold, copper etc.; the solutions containing the metals are then collected and treated to recover the metals.

host rock – the rock in which a mineral or an ore body may be contained.

induced polarization – is a geophysical imaging technique used to identify the electrical chargeability of subsurface materials, such as ore.

in-situ – in its natural position.

mapped or geological mapping – the recording of geologic information including rock units and the occurrence of structural features, attitude of bedrock, and mineral deposits on maps.

mineral – a naturally occurring inorganic crystalline material having a definite chemical composition.

mineralization – a natural accumulation or concentration in rocks or soil of one or more potentially economic minerals; also the process by which minerals are introduced or concentrated in a rock.

mineralized material – refers to material that is not included in the reserve as it does not meet all of the criteria for adequate demonstration for economic or legal extraction.

open pit or open cut – surface mining in which the ore is extracted from a pit or quarry, the geometry of the pit may vary with the characteristics of the ore body.

ore – mineral bearing rock that can be mined and treated profitably under current or immediately foreseeable economic conditions.

ore body – a mostly solid and fairly continuous mass of mineralization estimated to be economically mineable.

outcrop – that part of a geologic formation or structure that appears at the surface of the earth.

oxide – gold-bearing ore that results from the oxidation of near surface sulfide ore.

preliminary economic assessment – a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study.

preliminary feasibility study (pre-feasibility study) – comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors. probable reserve – refers to reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

production stage – a “production stage” project is actively engaged in the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product.

proven reserve – refers to reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

quartz – a mineral composed of silicon dioxide, SiO<sub>2</sub> (silica)

RC (reverse circulation) drilling – a drilling method using a tri-cone bit or hammer bit, during which rock cuttings are pushed from the bottom of the drill hole to the surface through an inner tube, by liquid and/or air pressure moving through an outer tube.

reserve – refers to that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves must be supported by a feasibility study done to bankable standards that demonstrates the economic extraction. (“Bankable standards” implies that the confidence attached to the costs and achievements developed in the study is sufficient for the project to be eligible for external debt financing.) A reserve includes adjustments to the in-situ tons and grade to include diluting materials and allowances for losses that might occur when the material is mined.

rock – indurated naturally occurring mineral matter of various compositions.

sediment – particles transported by water, wind, gravity or ice.

sedimentary rock – rock formed at the earth's surface from solid particles, whether mineral or organic, which have been moved from their position of origin and re-deposited.

strike – the direction or trend that a structural surface, e.g. a bedding or fault plane, takes as it intersects the horizontal.

strip – to remove barren rock or overburden in order to expose ore.

sulfide – a mineral including sulfur (S) and iron (Fe) as well as other elements; metallic sulfur-bearing mineral often associated with gold mineralization.

## PART I

### Item 1. Business.

Paramount Gold Nevada Corp. is a Nevada corporation formed on June 15, 1992 under the name X-Cal (USA), Inc. Paramount Gold Nevada Corp. common stock trades on the NYSE American LLC under the symbol “PZG.” Unless the context otherwise requires, reference to “we,” “us,” “our,” “Paramount,” the “Company” and other similar references refer to Paramount Gold Nevada Corp.

### INITIAL PUBLIC OFFERING AND ORGANIZATIONAL TRANSACTIONS

On April 17, 2015, we entered into the previously disclosed separation and distribution agreement (the “Separation Agreement”) with Paramount Gold and Silver Corp. (“PGSC”), to effect the separation (the “separation”) of the Company from PGSC, and to provide for the allocation between the Company and PGSC of the Company’s and PGSC’s assets, liabilities and obligations attributable to periods prior to, at and after the separation.

We filed a registration statement on Form S-1 in connection with the distribution (the “distribution”) by PGSC to its stockholders of all the outstanding shares of common stock of the Company, par value \$0.01 per share. The registration statement was declared effective by the Securities and Exchange Commission (“SEC”) on April 9, 2015. On April 6, 2015, the Company filed a Form 8-A with the SEC to register its shares of common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended. The distribution, which effected a spin-off of the Company from PGSC, was made on April 17, 2015, to PGSC stockholders of record on April 14, 2015. On the distribution date, stockholders of PGSC received one share of Company common stock for every 20 shares of PGSC common stock held. Up to and including the distribution date, PGSC common stock traded on the “regular-way” market; that is, with an entitlement to shares of Company common stock distributed pursuant to the distribution. As a result of the distribution, the Company is now a publicly traded company independent from PGSC. On April 20, 2015, the Company’s shares of common stock commenced trading on the NYSE American LLC (formerly NYSE MKT) under the symbol “PZG”. An aggregate of 8,101,371 shares of Company common stock were distributed in the distribution. In connection with our separation from PGSC and PGSC’s merger with and into Coeur Mining, Inc. (“Coeur”), PGSC contributed approximately \$8.45 million to us as an equity contribution, and we issued 417,420 shares of our common stock, par value \$0.01 per share, to Coeur in exchange for a cash payment by Coeur in the amount of \$1.47 million.

On March 14, 2016, Paramount Gold Nevada Corp. and Calico Resources Corp. (“Calico”) entered into an Arrangement Agreement providing for the acquisition of Calico by Paramount. On July 7, 2016, after having received the approval of the Supreme Court of British Columbia to the transaction, Paramount and Calico completed the transaction contemplated by the Arrangement Agreement, pursuant to which Calico became a wholly-owned subsidiary of Paramount.

On November 14, 2016, Calico Resources Corp. was merged into Calico Resources USA Corp. As a result, Calico Resources USA Corp. became a wholly owned subsidiary of Paramount.

### OVERVIEW OF PARAMOUNT GOLD NEVADA CORP.

We are an emerging growth company engaged in the business of acquiring, exploring and developing precious metal projects in the United States of America. Paramount owns advanced stage exploration projects in the states of Nevada and Oregon. We enhance the value of our projects by implementing exploration and engineering programs that are likely to expand and upgrade known mineralized material to reserves. Paramount believes there are several ways to realize the value of its projects: selling its projects to producers; joint venturing its projects with other companies; or building and operating small mines on its own.

The Company’s principal Nevada interest, the Sleeper Gold Project, is located in Humboldt County, Nevada, and was a producing mine until 1996.

Our project located in Oregon, known as the Grassy Mountain Project (“Grassy Mountain”), is located in Malheur County, Oregon, and was acquired by way of statutory plan of arrangement in the Province of British Columbia, Canada with Calico in July 2016.

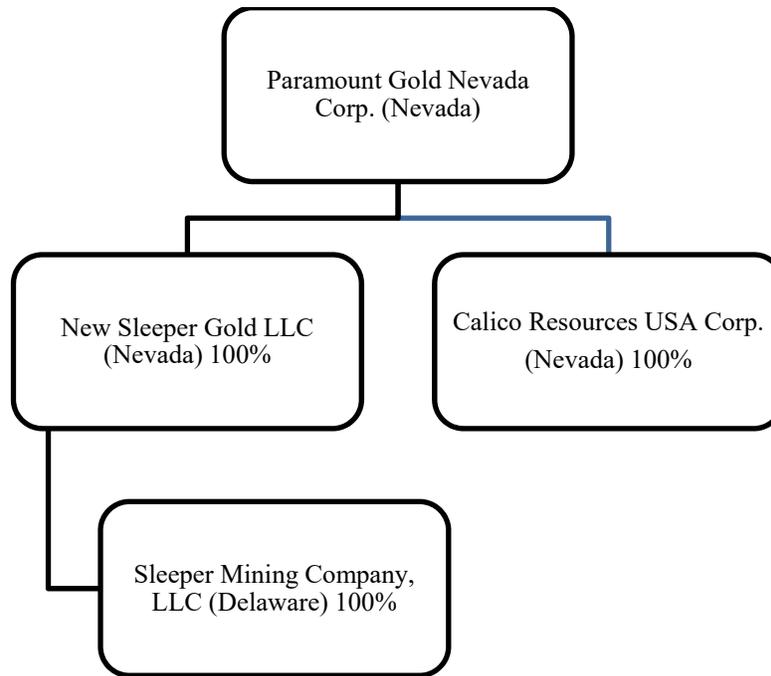
### INTER-CORPORATE RELATIONSHIPS

We currently have three active wholly owned direct subsidiaries:

New Sleeper Gold LLC and Sleeper Mining Company, LLC, which operate our mining interests in Nevada.

Calico Resources USA Corp., which holds our interest in the Grassy Mountain Project in Oregon.

The Company's corporate structure is as follows:



## COMPETITION

The mineral exploration industry is highly competitive. We compete with junior and senior mineral exploration companies, independent producers and institutional and individual investors who are actively seeking to acquire mineral exploration properties throughout the United States together with the equipment, labor and materials required to explore on those properties. Competition for the acquisition of mineral exploration interests is intense with many mineral exploration leases or concessions available through a competitive bidding process in which we may lack the technological information or expertise available to other bidders. Accordingly, these competitors may be able to spend greater amounts on acquiring mineral exploration interests of merit or on exploring or developing their mineral exploration properties. This advantage could enable our competitors to acquire mineral exploration properties of greater quality and interest to prospective investors who may choose to finance their exploration and development projects instead of the Company's. Such competition could adversely impact our ability to attain the financing necessary for us to acquire further mineral exploration interests.

We do not compete with anyone with respect to our existing mineral claims because they are 100% controlled or owned by us. We believe we have or can acquire on reasonable terms the equipment, labor and materials necessary to explore our current properties. Because there is presently no known mineral reserve at this time on our existing properties, we have not determined the impact of any capital expenditures on our earnings or competitive position in the event a potentially commercially mineable ore deposit is discovered.

## UNITED STATES REGULATIONS

*Mining Claims:* Exploration activities on our properties are conducted both upon federally-owned land and private land. Most federally-owned land is administered by the Bureau of Land Management ("BLM"). On existing claims owned by the federal government, we are required to pay annual claim maintenance fees of \$165 per claim on or before September 1st at the State Office of the BLM. In addition, we are required to pay the county recorder of the county in which the claim is situated an annual fee. The county fees in Nevada and Oregon are \$12.00 and \$5.00 per claim, respectively. On certain claims, we are required to pay a fee for each 20 acres of an association placer. For any new claims we acquire by staking, we must file a certificate of location with the State Office of the BLM within 90 days of making the claim along with a fee equal to the amount of the annual claim maintenance fee.

Annual Payments made to federal and other state agencies to maintain claims:

Property	Number of Claims	Federal payments to Bureau of Land Management	Payment to Local County	Total Annual Payment to Maintain Claims
Sleeper Gold Project and Other Nevada Claims	2,358	\$ 398,805	\$ 28,806	\$ 427,611
Grassy Mountain Project and Other Oregon Claims	554	\$ 95,700	\$ 3,219	\$ 98,919
Total Annual Payment to Maintain Mining Claims				<u>\$ 526,530</u>

*Mining Exploration:* BLM regulations require, and we have obtained, permits for surface disturbances to conduct our exploration activities. At our Sleeper Gold Project, there are also numerous permits in place that are maintained from the previous mine operations. We maintain these permits for ease in updating should a decision be made to reinstate production at the Sleeper Gold mine. Maintenance of these permits includes monthly, quarterly and annual monitoring and reporting to various government agencies and departments.

*Environmental and Reclamation:* Our Sleeper Gold Project is currently operated as an advanced exploration project and is subject to various permit requirements. We are required to submit a plan of operation, obtain permitting and post bonds that guarantee that reclamation is performed on lands associated with exploration.

We are also responsible for managing the reclamation requirements from the previous mine operations and have a bond posted with the BLM to guarantee that reclamation is performed on the associated mine facilities and activities.

We expect that our annual obligations to satisfy reclamation requirements to be approximately \$361,389 for the next five years. Annual outlays are reimbursed by the existing reclamation bond and reimbursements are expected to approximate the actual outlays. In August 2016, the Company's mine closure plan was determined to be sufficient by the BLM.

## EMPLOYEES

As of June 30, 2019, we employed seven full-time employees and two consultants.

## FACILITIES

Our principal office is located at 665 Anderson Street, Winnemucca, Nevada, 89445.

## Item 1A. Risk Factors.

Described below are certain risks that we believe apply to our business and the industry in which we operate. You should carefully consider each of the following risk factors in conjunction with other provided in this Annual Report on Form 10-K and in our other public disclosure. The risks described below highlight potential events, trends or other circumstances that could adversely affect our business, financial condition, results of operations, cash flows, liquidity or access to sources of financing, and consequently, the market value of our common stock. These risks could cause our future results to differ materially from historical results. The risks described below are those that we have identified as material and is not an exhaustive list of all the risks we face. There may be others that we have not identified or that we have deemed to be immaterial. All forward-looking statements made by us or on our behalf are qualified by the risks described below.

### Risks Related to our Business Operations

#### *It is possible investors may lose their entire investment in the Company.*

Prospective investors should be aware that if we are not successful in our endeavors, your entire investment in the Company could become worthless. Even if we are successful in identifying mineral reserves that can be commercially developed, there can be no assurances that we will generate any revenues and therefore our losses will continue.

#### *No revenue generated from operations.*

We have not generated any revenues from operations. Our net loss for the fiscal year ended June 30, 2019 totaled \$5,970,048. We have incurred losses in the past and we will likely continue to incur losses in the future. Even if our drilling programs identify gold, silver or other mineral reserves, there can be no assurance that we will be able to commercially exploit these resources, generate any revenues or generate sufficient revenues to operate profitably.

***We will require significant additional capital to continue our exploration activities, and, if warranted, to develop mining operations.***

None of our projects currently have proven or probable reserves. Substantial expenditures will be required to determine if proven and probable mineral reserves exist at any of our properties, to develop metallurgical processes to extract metal, to develop the mining and processing facilities and infrastructure at any of our properties or mine sites and, in certain circumstances, to acquire additional property rights. We have spent and will be required to continue to expend significant amounts of capital for drilling, geological and geochemical analysis, assaying, and, when warranted, feasibility studies with regard to the results of our exploration. We may not benefit from these investments if we are unable to identify commercially exploitable mineralized material. If we decide to put one or more of our properties into production, we will require significant amounts of capital to develop and construct the mining and processing facilities and infrastructure required for mining operations. Our ability to obtain necessary funding for these purposes, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of gold, silver and other precious metals. We may not be successful in obtaining the required financing, or if we can obtain such financing, such financing may not be on terms that are favorable to us. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration or development and the possible, partial or total loss of our potential interest in certain properties. Any such delay could have a material adverse effect on our results of operations or financial condition.

***We cannot be assured that any of our projects are economically feasible or that feasibility studies will accurately forecast operating results.***

Our future profitability depends on the economic feasibility of our projects. We have not completed any feasibility studies for any of our projects. There can be no assurance that the results of a feasibility study for either the Grassy Mountain Project or the Sleeper Gold Project will be positive. Economic feasibility depends on many factors which include estimates on production rates, revenues, operating and capital costs. If we complete a feasibility study for any our projects and obtain financing to construct and initiate mining operations, there can be no assurance that actual operating results will not vary unfavorably from the estimates and assumptions included in the feasibility study.

***We may acquire additional exploration stage properties, and we may face negative reactions if reserves are not located on acquired properties.***

We may acquire additional exploration stage properties. There can be no assurance that we will be able to identify and complete the acquisition of such properties at reasonable prices or on favorable terms or that reserves will be identified on any properties that we acquire. We may also experience negative reactions from the financial markets if we are unable to successfully complete acquisitions of additional properties or if reserves are not located on acquired properties. These factors may adversely affect the trading price of our common stock or our financial condition or results of operations.

***Our industry is highly competitive, attractive mineral lands are scarce, and we may not be able to obtain quality properties.***

We compete with many companies in the mining industry, including large, established mining companies with substantial capabilities, personnel and financial resources. There is a limited supply of desirable mineral lands available for claim staking, lease or acquisition in the United States of America where we may conduct exploration activities. We may be at a competitive disadvantage in acquiring mineral properties because we compete with these individuals and companies, many of which have greater financial resources and larger technical staffs.

Title to mineral properties can be uncertain, and we are at risk of loss of ownership of one or more of our properties. Our ability to explore and operate our properties depends on the validity of our title to that property. A significant amount of our mineral properties consist of leases of unpatented mining claims. Unpatented mining claims provide only possessory title and their validity is often subject to contest by third parties or the federal government, which makes the validity of unpatented mining claims uncertain and generally more risky. These uncertainties relate to such things as the sufficiency of mineral discovery, proper posting and marking of boundaries, assessment work and possible conflicts with other claims not determinable from public record. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry. We have not obtained title opinions covering our entire property, with the attendant risk that title to some claims, particularly title to undeveloped property, may be defective. There may be valid challenges to the title to our property which, if successful, could impair development and/or operations.

***There are no confirmed commercially mineable ore deposits on any properties from which we may derive any financial benefit.***

Neither we nor any independent geologist, has confirmed commercially mineable ore deposits on any of our properties. In order to carry out additional exploration programs of any potential ore body and to place it into commercial production, we will require substantial additional funding.

***We have no mining operations and no history as a mining company.***

We are an exploration stage mining company and have no ongoing mining operations of any kind. We have interests in mining claims which may or may not lead to production.

We have no history of earnings or cash flow from mining operations. If we are able to proceed to production, commercial viability will be affected by factors that are beyond our control such as the particular attributes of the deposit, the fluctuation in metal prices, the cost of constructing and the operation of a mine, prices and refining facilities, the availability of economic sources for energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exploration of minerals, as well as the costs of protection of the environment.

***If our exploration costs are higher than anticipated, then our profitability will be adversely affected.***

We are currently proceeding with plans to explore our mineral properties on the basis of estimated exploration costs. If our exploration costs are greater than anticipated, then we will have fewer capital resources for other expenses and losses could increase. Factors that could cause exploration costs to increase include adverse weather conditions, difficult terrain, increased government regulation and shortages of qualified personnel.

Assuming no adverse developments outside of the ordinary course of business, our exploration and development budget will be approximately \$4.0 million for the next twelve months. Exploration will be funded by our available cash reserves and future issuances of common stock, warrants or units. Our exploration program may vary significantly from what we have budgeted depending upon the results we achieve. Even if we identify mineral reserves which have the potential to be commercially developed, we will not generate revenues until such time as we undertake mining operations. Mining operations will involve a significant capital infusion. Mining costs are speculative and dependent on a number of factors including mining depth, terrain and necessary equipment. We do not believe that we will have sufficient funds to implement mining operations without additional capital raises of debt and or equity or without a joint venture partner, of which there can be no assurance.

***Our continuing reclamation obligations at our properties could require significant additional expenditures.***

We are responsible for the reclamation obligations related to disturbances located on all of our properties, including the Sleeper Gold Project. We have posted a bond in the amount of the estimated reclamation obligation at the Sleeper Gold Project. Every three years, we are required to submit a mine closure plan to the BLM for the Sleeper Gold Project. Based on a review by the BLM of our mine closure plan that Paramount submitted in June 2016, the BLM determined that our existing bond was sufficient. There is a risk that any cash bond, even if increased based on the analysis and work performed to update the reclamation obligations, could be inadequate to cover the actual costs of reclamation when carried out. The satisfaction of bonding requirements and continuing reclamation obligations will require a significant amount of capital. There is a risk that we will be unable to fund these additional bonding requirements, and further, that the regulatory authorities may increase reclamation and bonding requirements to such a degree that it would not be commercially reasonable to continue exploration activities, which may adversely affect our results of operations, financial performance and cash flows.

***Mining operations are hazardous, raise environmental concerns and raise insurance risks.***

The development and operation of a mine or mineral property involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, among other things, ground fall, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other accidents. Such occurrences may result in work stoppages, delays in production, increased production costs, damage to or destruction of mines and other producing facilities, injury or loss of life, damage to property, environmental damage and possible legal liability for such damages as well. Although the Company maintains liability coverage in an amount which it considers adequate for its operations, such occurrences, against which the Company may not be able, or may elect not to insure, may result in a material adverse change in the Company's financial position. The nature of these risks is such that liabilities may exceed policy limits, in which event the Company would incur substantial uninsured losses.

***There may be insufficient mineral reserves to develop any of our properties, and our estimates may be inaccurate.***

There is no certainty that any expenditures made in the exploration of any properties will result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and no assurance can be given that any particular level of recovery of precious metals from discovered mineralization will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results.

Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that precious metals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site production conditions. Material changes in estimated reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

***We have no proven reserves.***

All of our properties are in the exploration stages only and are without known bodies of commercial ore. Development of these properties will follow only upon obtaining satisfactory exploration results. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration and development programs. Mineral exploration and development are highly speculative businesses, involving a high degree of risk. Few properties which are explored are ultimately developed into producing mines. There is no assurance that our mineral exploration and development activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, many of which are beyond the Company's control, such as the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

In the course of exploration, development, and mining of mineral properties, certain unanticipated conditions may arise or unexpected or unusual events may occur, including rock bursts, cave-ins, fires, floods, or earthquakes. It is not always possible to fully insure against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they may reduce or eliminate any future profitability and may result in a decline in the value of the securities of the Company.

***We face fluctuating gold and mineral prices.***

The value of any mineral reserves we develop, and consequently the value of our common stock, depends significantly on the value of such minerals. The price of gold and silver as well as other precious and base metals have experienced volatile and significant price movements over short periods of time and are affected by numerous factors beyond our control, including international economic and political trends, expectations of inflation, interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold and silver, as well as other precious and base metals, are affected by various factors, including political events, economic conditions and production costs in major mineral producing regions.

***Our estimates of mineralized material and other mineral resources are subject to uncertainty.***

Estimates of mineralized material and other mineral resources are subject to considerable uncertainty. Such estimates are arrived at using standard acceptable geological techniques, and are based on the interpretations of geological data obtained from drill holes and other sampling techniques. Engineers use feasibility studies to derive estimates of cash operating costs based on anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore bodies, expected recovery rates of metal from ore, comparable facility and operating costs and other factors. Actual cash operating costs and economic returns on projects may differ significantly from the original estimates, primarily due to fluctuations in the current prices of metal commodities extracted from the deposits, changes in fuel costs, labor rates, changes in permit requirements, and unforeseen variations in the characteristics of the ore body. Due to the presence of these factors, there is no assurance that any geological reports will accurately reflect actual quantities of gold, silver or other metals that can be economically processed and mined by us.

***If we are unable to obtain all of our required governmental permits, our operations could be negatively impacted.***

Our future operations, including exploration and development activities, required permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to acquire all required licenses or permits or to maintain continued operations at our properties.

***We are subject to numerous environmental and other regulatory requirements.***

All phases of mining and exploration operations are subject to governmental regulation including environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There can be no assurance that possible future changes in environmental regulation will not adversely affect our operations. As well, environmental hazards may exist on a property in which we hold an interest that was caused by previous or existing owners or operators of the properties and of which the Company is not aware at present.

Government approvals and permits are required to be maintained in connection with our mining and exploration activities. Although we believe we currently have all required permits for our operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations or additional permits for any possible future changes to the Company's operations, including any proposed capital improvement programs. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on the Company resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

***There is no assurance that there will not be title or boundary disputes.***

Although we have investigated the right to explore and exploit our properties and obtained records from government offices with respect to all of the mineral claims comprising our properties, this should not be construed as a guarantee of title. Other parties may dispute the title to any of our properties or any property may be subject to prior unregistered agreements and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions.

***Local infrastructure may impact our exploration activities and results of operations.***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and water supplies are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage or government or other interference in the maintenance or provision of such infrastructure could adversely affect our activities and profitability.

***Because of the speculative nature of exploration for gold and silver properties, there is substantial risk that our business will fail.***

The search for precious metals as a business is extremely risky. We cannot provide any assurances that the gold or silver mining interests that we acquired will contain commercially exploitable reserves of gold or silver. Exploration for minerals is a speculative venture necessarily involving substantial risk. Any expenditure that we make may not result in the discovery of commercially exploitable reserves of precious metals.

***The precious metals markets are volatile markets. This will have a direct impact on our revenues (if any) and profits (if any) and could have an adverse effect on our ongoing operations.***

The price of both gold and silver has fluctuated significantly over the past few years. Despite the volatility in the price of gold, there continues to be interest in gold and silver mining and companies engaged in that business, including the exploration for both gold and silver. However, in the event that the price of these metals falls, the interest in the gold and silver mining industry may decline and the value of our business could be adversely affected. Even if we are able to generate revenues, there can be no assurance that any of our operations will prove to be profitable. Finally, in recent decades, there have been periods of both overproduction and underproduction of both gold and silver resources. Such conditions have resulted in periods of excess supply of and reduced demand on a worldwide basis and on a domestic basis. These periods have been followed by periods of short supply of and increased demand for both gold and silver. We cannot predict what the market for gold or silver will be in the future.

***Government regulation or changes in such regulation may adversely affect our business.***

We have and will in the future engage experts to assist us with respect to our operations. We deal with various regulatory and governmental agencies and the rules and regulations of such agencies. No assurances can be given that we will be successful in our efforts or dealings with these agencies. Further, in order for us to operate and grow our business, we need to continually conform to the laws, rules and regulations of the jurisdictions in which we operate. It is possible that the legal and regulatory environment pertaining to the exploration and development of precious metals mining properties will change. Uncertainty and new regulations and rules could increase our cost of doing business or prevent us from conducting our business.

***We are in competition with companies that are larger, more established and better capitalized than we are.***

Many of our potential competitors have greater financial and technical resources, as well as longer operating histories and greater experience in mining.

***Exploration for economic deposits of minerals is speculative.***

The business of mineral exploration is very speculative, since there is generally no way to recover any of the funds expended on exploration unless the existence of mineable reserves can be established. We can exploit those reserves by either commencing mining operations, selling or leasing our interest in the property or entering into a joint venture with a larger resource company that can further develop the property to the production stage. Unless we can establish and exploit reserves before our funds are exhausted, we will have to discontinue operations, which could make our stock valueless.

***The loss of key members of our senior management team could adversely affect the execution of our business strategy and our financial results.***

We believe that the successful execution of our business strategy and our ability to move beyond the exploratory stages depends on the continued employment of key members of our senior management team. If any members of our senior management team become unable or unwilling to continue in their present positions, our financial results and our business could be materially adversely affected.

***We operate in a regulated industry and changes in regulations or violations of regulations may result in increased costs or sanctions that could reduce our revenues.***

Our organization is subject to extensive and complex federal and state laws and regulations. If we fail to comply with the laws and regulations that are directly applicable to our business, we could suffer civil and/or criminal penalties or be subject to injunctions or cease and desist orders. While we believe that we are currently compliant with applicable rules and regulations, if there are changes in the future, there can be no assurance that we will be able to comply in the future, or that future compliance will not significantly adversely impact our operations.

***We rely on independent analysis to analyze our drilling results and planned exploration activities.***

We rely on independent geologists to analyze our drilling results and to prepare resource reports on several of our mining claims. While these geologists rely on standards established by the Canadian Institute of Mining, Metallurgy and Petroleum, Standards on Mineral Resources and Mineral Reserves and other standards established by various licensing bodies, there can be no assurance that their estimates or results will be accurate. Analyzing drilling results and estimating reserves or targeted drilling sites is not a certainty. Miscalculations and unanticipated drilling results may cause the geologists to alter their estimates. If this should happen, we would have devoted resources to areas where resources could have been better allocated.

***We are an “emerging growth company”, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

As an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (“JOBS Act”), we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make our financial statements not comparable with those of another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period because of the potential differences in accounting standards used.

We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock.***

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that our efforts to develop and maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock.

***The JOBS Act allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies.***

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

## **Risks Related to Our Common Stock**

***Our stock price may be volatile.***

The market price of our common stock has been volatile. We believe investors should expect continued volatility in our stock price. Such volatility may make it difficult or impossible for you to obtain a favorable selling price for our shares.

***We do not intend to pay dividends for the foreseeable future.***

We have never declared or paid any dividends on our common stock. We intend to retain all of our earnings, if any, for the foreseeable future to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases. Our board of directors retains discretion to change this policy.

***The exercise of our outstanding options and warrants may depress our stock price.***

The exercise of outstanding options and warrants, and the subsequent sale of the underlying common stock in the public market, or the perception that future sales of these shares could occur, could have the effect of lowering the market price of our common stock below current levels and make it more difficult for us and our stockholders to sell our equity securities in the future.

Sales or the availability for sale of shares of common stock by stockholders could cause the market price of our common stock to decline and could impair our ability to raise capital through an offering of additional equity securities.

**Item 1B. Unresolved Staff Comments.**

Not applicable as a smaller reporting company.

**Item 2. Properties.**

**SLEEPER GOLD PROJECT**

*Overview and Location*

Sleeper is a material exploration property of the Company. The Company has the rights to explore, develop and mine the property through our 100% ownership of unpatented lode mining claims. Sleeper is located 26 miles northwest of Winnemucca, Nevada. Automobile and truck access to the property is by Interstate Highway 80 to Winnemucca, north on Highway 95 for 32 miles, west on Highway 140 for 14 miles, and then south for 6 miles on the maintained gravel Sod House Road to the project site. An office building, heavy equipment enclosure and warehousing facility are present on the Sleeper Gold Property. Necessary supplies, equipment and services to carry out full sequence exploration and mining development projects are available in Winnemucca, Reno, and Elko, Nevada.

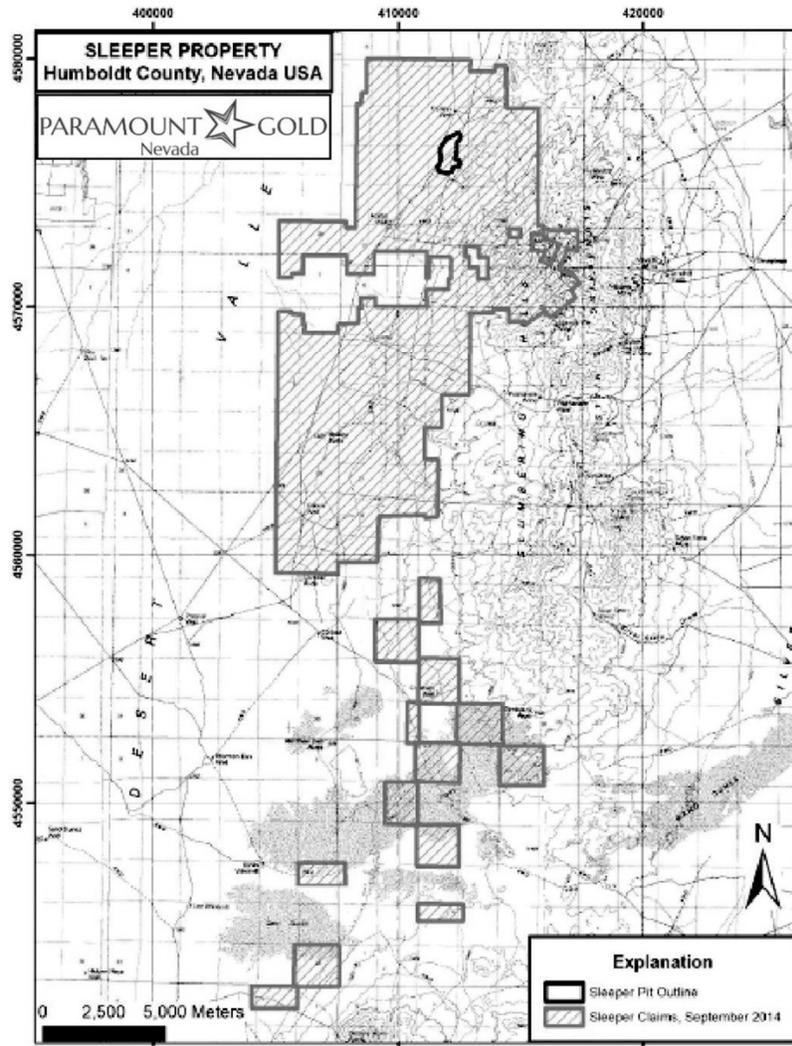
*Mining Claims*

The Sleeper Gold mine and its 1,044 unpatented lode mining claims were acquired by PGSC through its acquisition of X-Cal Resources Ltd. in August 2010. Additional mining claims have been staked or acquired which now comprise the Sleeper Gold Project.

The 100% owned mining claims are summarized in the following table:

<b>The Sleeper Gold Project Properties</b>	<b>Claims</b>	<b>Approx sq. miles</b>
Sleeper Gold Mine	1,044	34
Dunes	394	13
Mimi	884	29
Total	<u>2,322</u>	<u>76</u>

The following map illustrates the general location of the Sleeper Gold Project and the associated mining claims:

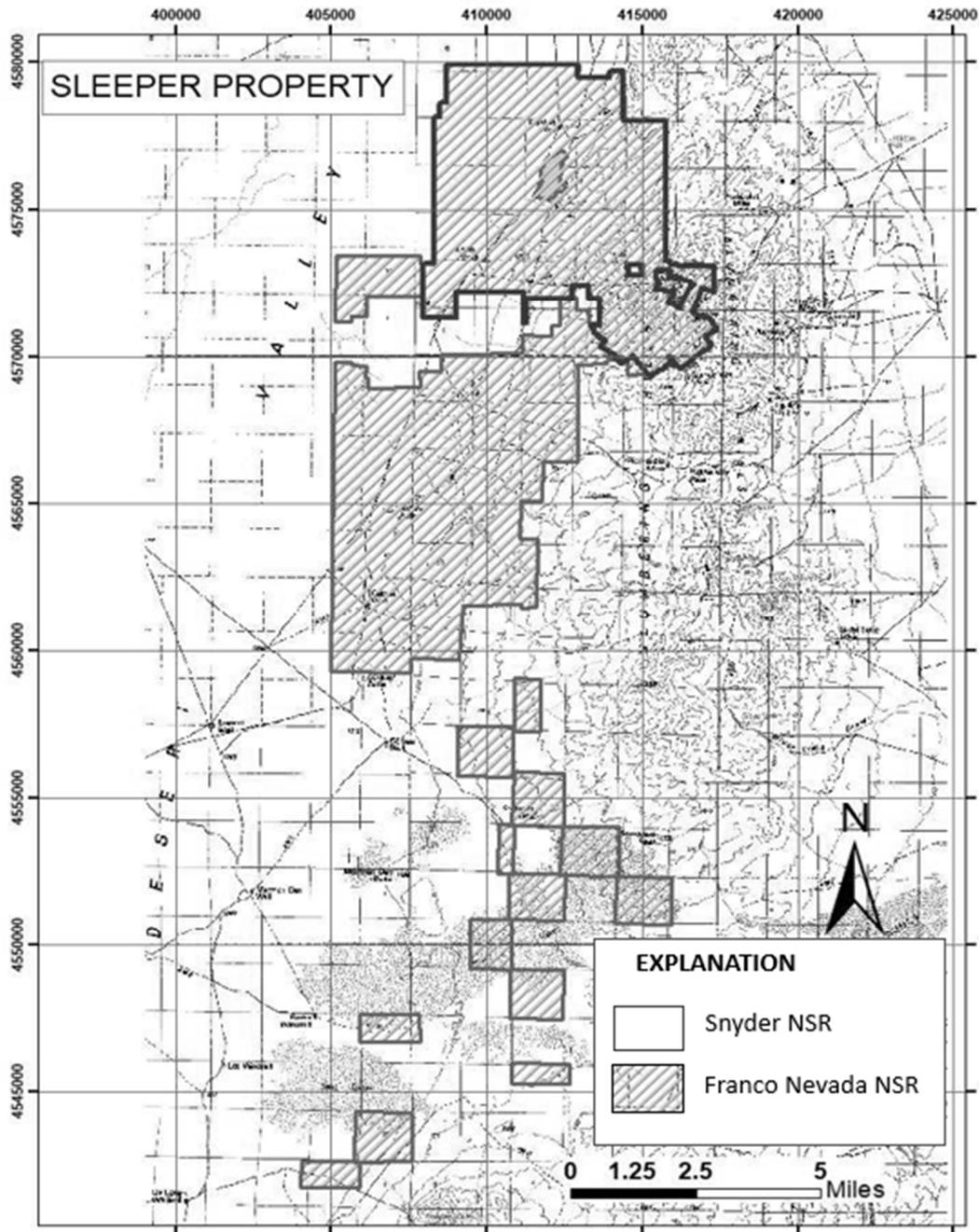


*Property Agreements and Royalty Obligations:*

The Snyder Syndicate, a private company, holds a 1% net smelter returns royalty on the 1,044 Sleeper Gold mine claims in a mining scenario.

Franco-Nevada U.S. Corporation (“Franco”), holds a two percent (2%) net smelter return royalty on minerals produced from the 2,322 mining claims at the Sleeper Gold Project.

The following map illustrates the claims subject to the royalty:



#### *History of Previous Operations*

The Sleeper Gold Project includes a historic open pit mine (the “Sleeper Gold mine”) operated by AMAX Gold Inc. (“Amax”) from 1986 until 1996, which produced 1.66 million ounces of gold and 2.3 million ounces of silver. All processing facilities and equipment related to the mining operations conducted by Amax have been removed from the site.

## *Power and Water*

As a result of Amax's mine operation from 1986 to 1996, electrical power is provided to the property by power lines. Water is available by two deep wells located on the property.

## *Paramount's Exploration History at Sleeper Gold Project*

PGSC conducted its first exploration program at the Sleeper Gold mine in October 2010. It consisted of 19 drill holes totaling 18,065 feet and focused on verifying data on existing models and confirming continuity and strike extension of known mineralized zones. From July 1, 2011 through June 30, 2012, PGSC completed 79 drill holes totaling 21,013 feet and followed that up in the period from July 1, 2012, through June 30, 2013, with 38 drill holes totaling 55,104 feet.

In August 2011, PGSC announced the acquisition of 606 unpatented lode mining claims (the "Dunes Project") located eleven miles south of the Sleeper Gold mine from ICN Resources Ltd. ("ICN"). In consideration, PGSC issued 400,000 shares of its common stock to ICN.

In September 2011, PGSC announced the results of a new material estimate on the Sleeper Gold mine prepared by SRK Consulting ("SRK"). Such estimate was conducted in accordance with the Canadian standards set forth in National Instrument 43-101. Based on the results of the report, the Company commissioned Scott E. Wilson Consulting Inc. ("SEWC") to prepare a Preliminary Economic Assessment ("PEA") for the project. The PEA is designed to evaluate both the technical and financial aspects of various production scenarios using the material estimate developed by SRK.

In July 2012, PGSC announced the staking of 920 new lode mining claims (the "Mimi Project") adjacent to the west and immediately south, of the Sleeper Gold mine. The Mimi Project totals 18,400 acres.

In July 2012, PGSC announced the results of the PEA completed by SEWC on the Sleeper Gold mine property. SEWC concluded that the most attractive development scenario consists of a large-scale open pit mining operation with a heap leach processing plant handling both oxide and sulfide material, producing a gold-silver dore. The PEA assumes an 81,000 ton per day operation resulting in a projected 17-year operation with an average annual production of 172,000 ounces of gold and 263,000 ounces of silver. Paramount received the completed PEA report in September 2012.

In 2013, PGSC announced several results of a drilling campaign which was focused in and around the existing resource and pit areas. Assay results extended the mineralization east and south of the existing resource, opened up new depth potential below the existing sleeper pit and intercepted exceptional results in several zones. Additionally, PGSC undertook an extensive database review and as a result, a total of 473 core and RC holes have been re-logged and new cross-sections were generated. Paramount completed a re-interpreted lithological and structural model which will allow us to plan a new drill program and to update our mineralized material estimate model.

In August 2014, PGSC dropped a total of 212 mining claims from the Dunes and Mimi areas of the Sleeper Gold Project. These claims no longer had any geological value to the Company.

In May 2015, Paramount announced the results of its updated mineralized material estimate for its Sleeper Gold Project. The estimate incorporated all new drilling since the last mineralized material estimate that was completed in September 2011. Both estimations were completed by SRK.

In August 2015, we completed an initial geophysical survey which consisted of a helicopter magnetometry study. The survey defined several possible exploration targets which are being reviewed by our geological team. Additional surveys on areas covered by overburden will be evaluated for further testing. This testing can include Induced Polarization programs or other indirect methodologies. The Company believes that the resulting data derived from the geophysical program will produce valuable drilling targets. Future drill programs will be designed with the aim identifying new zones of mineralization with an emphasis on areas covered with overburden.

In October 2015, we released the results of a new PEA for our Sleeper Gold Project in Nevada. The PEA was completed by Metal Mining Consultants Inc. ("MMC") of Denver, Colorado. MMC concluded that the optimal mining scenario is a 30,000 tonnes per day heap leach process facility fed by an open pit.

This mining scenario results in an average annual production of 102,000 ounces of gold and 105,000 ounces of silver for seven years with additional metal recovered over the following two years during final leaching of 37,850 ounces of gold and 30,500 ounces of silver. The life of mine average cash operating are estimated to be \$529 per equivalent gold ounce produced and the total life of mine capital requirements are estimated to be \$258.8 Million.

This PEA is preliminary in nature and should not be considered to be a pre-feasibility or feasibility study, as the economics and technical viability of the Sleeper Gold Project have not been demonstrated at this time. Therefore, there can be no certainty that the estimates contained in the PEA will be realized.

### *Geology and Mineralization*

The Sleeper Gold Project is situated within the western, apparently older, part of the Northern Nevada Rift geologic province of Miocene age, along the western flank of the Slumbering Hills within Desert Valley. The geological structures that underlie Desert Valley appear to have been down-dropped 3,000 to 3,300 feet along the north-to northeast-trending normal faults along the western edge of the Slumbering Hills.

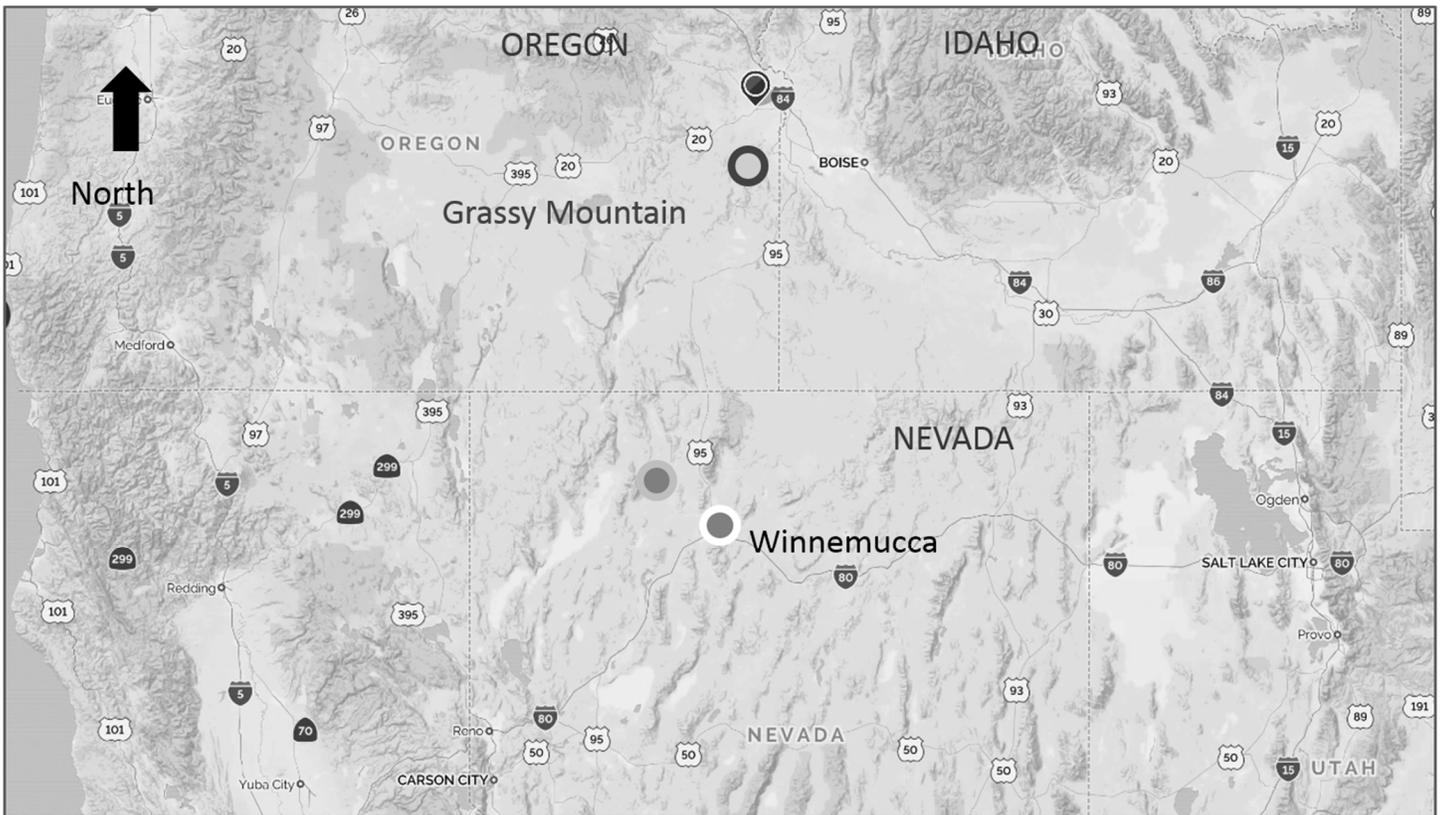
Four main types of gold mineralization are found within the Sleeper Gold Project deposit and may represent a continuum as the system evolved from a high level, high sulfidation system dominated by intrusion related fluids and volatiles to a low sulfidation meteoric water dominant system. In this setting the paragenetic relationships of the differing mineralization styles are as follows:

- Early – quartz-pyrite-marcasite stockwork;
- Intermediate – medium-grade, silica-pyrite-marcasite cemented breccias localized on zones of structural weakness;
- Late – high-grade, banded, quartz-adularia-electrum-(sericite) veins; and
- Post – alluvial gold-silver deposits in Pliocene gravels.

### **Grassy Mountain Gold Project**

#### *Overview and Location*

The Grassy Mountain Project is located in Malheur County, Oregon, approximately 22 miles south of Vale, Oregon, and roughly 70 miles west of Boise, Idaho. The property is accessed by vehicle from the town of Vale by a private and BLM maintained dirt road. The project site is situated in the rolling hills of the high desert region of the far western Snake River Plain and consists of 442 unpatented lode claims and 3 patented lode claims all totaling roughly 9,300 acres. The local terrain is gentle to moderate, with elevations ranging from 3300 to 4,300 feet above mean sea level.

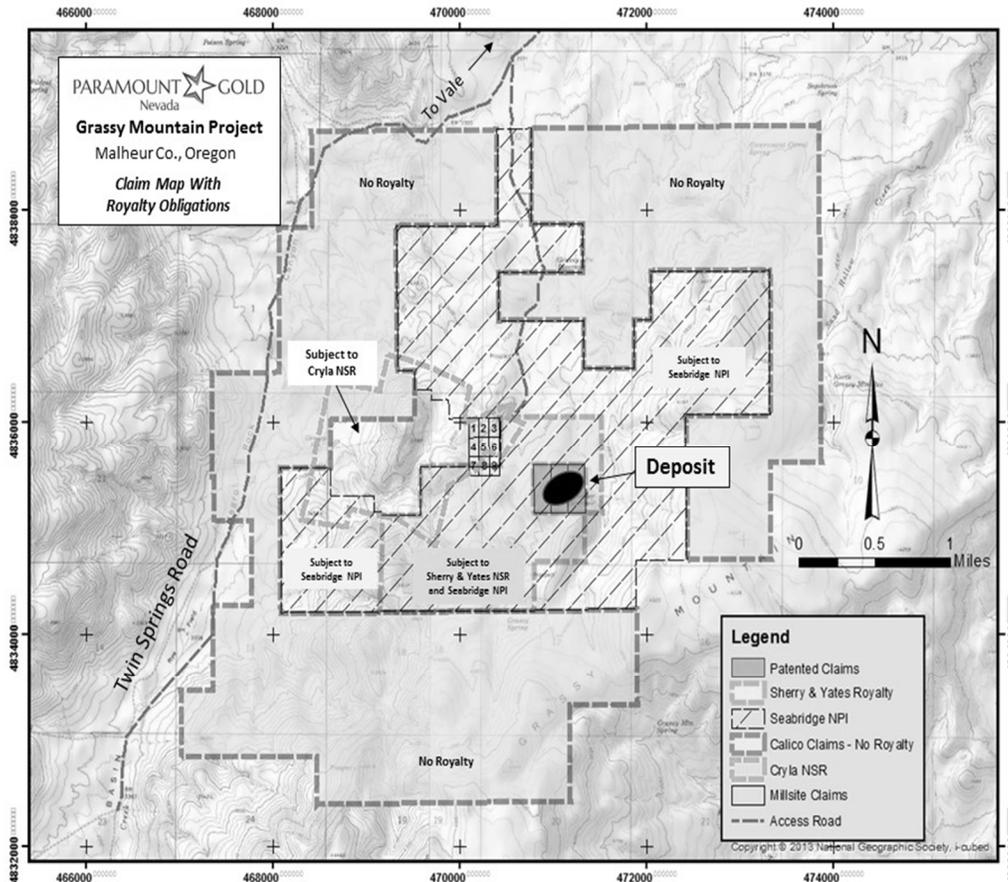


## Power and Water

To effect mining operations power and water source infrastructure would need to be developed as it does not currently exist.

## Property Agreements and Royalty Obligations

The following map illustrates the mining claims subject to royalty payments at the Grassy Mountain Project:



## Sherry and Yates Inc.

Prior to 2018, Calico had an annual lease agreement in place with Sherry & Yates Inc. Under the agreement Calico was required to make annual advance royalty payments at a rate of \$100,000 per year. In a mining production scenario, the agreement provided for a production royalty payments based on the price of gold. In February 2018, Paramount exercised its option to reduce the existing Net Smelter Royalty from 6% down to 1.5% and acquired all the rights to the unpatented and patented mining claims subject to the agreement at the Grassy Mountain Project for a total payment of \$2.4 million.

## Seabridge Gold

Seabridge Gold Inc. (“Seabridge”), a NYSE listed company, holds a net profits interest (“NPI”) in a mining scenario at Grassy Mountain. The NPI is calculated at a rate of 10% on net profits on certain mining claims. Seabridge also holds an NPI put option in which during the 30 day period immediately following the day that Calico had delivered notice to Seabridge that a positive production decision has been made and construction financing has been secured with respect to the Grassy Mountain Project, Seabridge may cause Calico to purchase the NPI for CDN\$10,000,000. If Seabridge exercises the right to cause Calico to purchase the NPI, the Company would likely need to seek additional equity or other financing to fund the purchase, which financing may not be available to the Company on favorable terms or at all.

## Bishop Lease

An annual lease agreement for unpatented mining claims is currently in place between Calico and the Bishop Brothers. Calico is required to make annual advance royalty payments at a rate of \$33,000 per year. In a mining scenario, the agreement provides for a production royalty payment base on the price of gold of 6%.

## *Exploration History at Grassy Mountain*

### The Atlas Era

In 1986 Atlas Precious Metals (“Atlas”) acquired the Grassy Mountain property from two independent geologists, Dick Sherry and Skip Yates.

Atlas recognized soil geochemistry as an important tool for locating buried hydrothermal cells at Grassy Mountain. Most of the Atlas exploration targets were identified by claim-corner (600’ X 1500’ grid) soil sampling anomalies. Atlas conducted detailed soil and float sampling on several anomalies and identified a genetic link between gold mineralization and silicification. Between 1986 and 1991, Atlas completed 403 drill holes totalling 221,500 feet on the Grassy Mountain property. Out of the total, 193 were vertically oriented RC holes on 75 to 100 feet centers within the Grassy Mountain resource area. The remaining drill holes were located on prospects away from the main Grassy Mountain resource area. Many of these represent future exploration targets.

Atlas expanded the original claim block and collected additional geologic, mine engineering, civil engineering, and environmental baseline data to support a feasibility study, which was completed in 1990.

Declining gold prices and the perception of an unfavorable permitting environment at that time discouraged Atlas from developing the project, and the property was optioned to Newmont Exploration Ltd (“Newmont”) in 1992.

### The Newmont Era

Newmont leased the Grassy Mountain property from Atlas in September 1992 for \$30 million. In 1993, Newmont geologists mapped 40 square miles at a scale of 1:6000 and collected approximately 2,600 soil samples on a 400-foot by 200-foot grid to identify anomalies missed by the coarser Atlas grid. During 1993 and 1994, Newmont collected more than 400 rock chip samples and conducted several geophysical programs. A ground-based gravity survey was carried out along roadways and airborne magnetic and radiometric surveys were flown over the entire property. Ground based gradient array and ground magnetic surveys were conducted over primary target areas.

Newmont initiated an eleven-hole (11,472 feet) inclined diamond core drilling program designed to intersect and define the geometry of potential high-grade gold zones. Additionally, Newmont drilled one wedge hole off of their initial core drill hole. Three additional holes (2,912 feet) were drilled as RC pilot holes with core tails.

In late 1994, Newmont drilled 15 holes totalling approximately 15,000 feet and completed a mineral resource estimate that became the basis for an economic and mining method evaluation that was completed in 1995. Newmont determined that the project did not meet corporate objectives and returned the property to Atlas in September 1996.

### The Tombstone Era

In January 1998, Atlas granted Tombstone Exploration Company Ltd (“Tombstone”) the option to purchase 100% of the property. Tombstone executed the option agreement and conducted an exploration program which included eight reverse circulation and two core holes totalling roughly 8,072 feet.

Prior to finalizing their agreement with Atlas, Tombstone completed an extensive review of previous work at the property and commissioned an economic study of alternative development scenarios. Relying heavily on Newmont’s gradient array surveys to define the drill targets. Lack of capital resources forced Tombstone to return the property to Atlas in May 1998.

### The Seabridge/Calico Era

In February 2000, Seabridge entered an option agreement with Atlas to acquire a 100% interest in the Grassy Mountain property. Seabridge completed its acquisition of the Grassy Mountain Project in April 2003, and in April 2011, signed an option agreement granting Calico the sole and exclusive right and option to earn a 100% interest in the project.

During the 2011 exploration program, Calico mapped and sampled the Grassy Mountain deposit and completed three core and nine reverse circulation drill holes in the primary zone of mineralization on the property. Calico's exploration strategy was to target areas where resource expansion was most probable. Historical data was thoroughly reviewed prior to drilling, and fresh sets of cross-sections and long-sections were constructed based on existing information. New interpretations of the orientation of mineralization and geology were plotted on the new sections. The new sections were then used to select areas where in-fill drilling was needed and areas where gold mineralization was open-ended and resource expansion probable. A detailed geologic model was produced based on the results of the 2011 exploration work, and subsequent supporting geophysical surveys were completed in March, 2012. On February 5, 2013, Calico exercised its option to acquire a 100% interest in the Grassy Mountain Project from Seabridge.

A mineralized material estimate was prepared by Hardrock Consulting Inc. in November, 2014. An independent preliminary economic assessment ("PEA") was prepared in February, 2015 by MMC, which verified the mineralized material estimate and included all drill data obtained as of September 26, 2014. The PEA concluded that potential exists for the discovery of additional mineralized material at exploration target areas identified within the Grassy Mountain claim block and the current mineralized material at Grassy Mountain is sufficient to warrant continued planning and effort to explore, permit, and develop the Grassy Mountain Project. There is sufficient data to support a basic geologic model and continuing development of the project and the detailed geologic model described in the PEA, along with the results of the exploration, drilling, and geophysical surveys completed as of October 2014, are sufficient to support preparation of a Preliminary Feasibility Study.

There is no certainty that the scenarios or estimated economics in the PEA will be realized.

#### Paramount Era

In November, 2016, Paramount received approval from the Oregon Department of Geology and Mineral Industries ("DOGAMI") under Division 37 guidelines to commence its 30 hole drill program at its 100%-owned Grassy Mountain Gold Project in Eastern Oregon. The drill program is a key component of its NI 43-101 Pre-Feasibility Study ("PFS") that the Company began in August. Drilling was commenced in late November and was completed in the Company's fourth quarter.

In May 2018, we released the results of a new PFS for our Grassy Mountain Project in Oregon. The PFS was completed by Mine Development Associates ("MDA") of Reno Nevada. MDA concluded the extraction of the estimated mineralized material will be accessed via a proposed underground mine that will be accessed via one decline and a system of internal ramps. The mine design is based on a production rate of 1,300 to 1,400 tons per day over four days per week, with two shifts per day, and will provide sufficient material to feed the 750 tons per day to the mill on a seven day per week basis.

The mineralization is considered to be amenable to a combination of gravity concentration and cyanide leaching. The recovery plan will be a conventional CIL type and will produce gold doré bars to be sold to gold refiners.

This mining scenario results in an average annual production of 47,000 ounces of gold and 50,000 ounces of silver for seven years. The metal prices used for the economic analysis includes \$1,300 per ounce of gold sold and \$16.75 per ounce of silver sold. The life of mine average cash operating are estimated to be \$528 per gold ounce including silver revenues as credit produced and the total life of mine capital requirements are estimated to be \$110 Million.

This PFS should not be considered to be a feasibility study, as the economics and technical viability of the Grassy Mountain Project have not been demonstrated at this time. Therefore, there can be no certainty that the estimates contained in the PFS will be realized.

#### *Geology and Mineralization*

Grassy Mountain is the largest of twelve recognized epithermal hot spring precious metal deposits of the Lake Owyhee volcanic field. The Lake Owyhee volcanic field occurs at the intersection of three tectonic provinces: the buried cratonic margin, the northern Basin and Range, and the Snake River Plain. During the mid-Miocene caldera volcanism occurred in the shallow crust throughout the region, predominately ash-flow sheets and rhyolite tuff cones. The resulting regional stratigraphic section is a thick sequence of mid-Miocene volcanic rocks and coeval-to-Pliocene age non-marine lacustrine, volcanoclastic, and fluvial sedimentary rocks. Bedrock outcrops in the vicinity of the Grassy Mountain property are typically composed of olivine-rich basalt and siltstones, sandstones, and conglomerates of the late Miocene Grassy Mountain Formation. These rocks are locally covered with relatively thin, unconsolidated alluvial and colluvial deposits. Erosion-resistant basalts cap local topographic highs. Arkosic sandstones have been encountered at the surface and at depth, but have not been correlated across the project area, in part due to lateral discontinuity associated with sedimentary facies changes and structural offset. The basal unit to the Grassy Mountain Formation is the Kern Basin Tuff, a non-welded, pumiceous, crystal tuff which displays cross beds and local surge structures. The Kern Basin Tuff ranges in thickness from 300 feet on the south bluffs of Grassy Mountain, to 1,500 feet in a drill hole beneath the Grassy Mountain Project area.

The Kern Basin Tuff is overlain by a series of fluvial, lacustrine, and tuffaceous sediments. Most of the sedimentary units in the project area are silicified and strongly indurated. These sedimentary units include granitic clast conglomerate, arkosic sandstone, fine grained sandstone, siltstone, and tuffaceous siltstone/mudstone. The sedimentary facies of the Grassy Mountain Formation reportedly range from 300 to over 1,000 feet thick, and provide the host rocks of the Grassy Mountain mineral resource.

Several siliceous terraces are interbedded with the silicified sediments of the Grassy Mountain Formation. Terrace construction was apparently episodic and intermittently inundated by fluvial/lacustrine sediments and ash, resulting in an interbedded sequence of siltstone, tuffaceous siltstone, sandstone, conglomerate, and sinter terrace deposits. Proximal deposits are angular, inhomogeneous, clast-supported breccias of sandstone, siltstone, and sinter with indistinct clast boundaries in a sulfidic mud-textured matrix.

Grassy Mountain is a prominent, 150 feet high, silicified and iron-stained knob. Bedding is approximately horizontal at the hilltop, and dips at 10° to 25° to the north-northeast on the northern and eastern flanks of the hill. The bedding dip steepens to 30° to 40° on the west side of the hill due to drag folding in the footwall of the N20W striking Antelope Fault. The southwest slope of Grassy Mountain is covered by silicified arkose landslide debris.

Grassy Mountain is a horst block which has been raised 50 to 200 feet in a region of complex block faulting and rotation. Faulting at Grassy Mountain is dominated by post-mineral N30W to N10E striking normal faults developed during Basin and Range extension. On the northeast side of the deposit, these faults progressively down-drop mineralization beneath post-mineral cover. These offsets are suggested by interpreted offsets of a prominent white sinter bed in drill holes as well as intersections with fault gouge. The N70E striking Grassy Mountain Fault shows minor vertical offset of only 10 to 40 feet.

The surface expression of the Grassy Mountain system is indicated by weak to moderately strong silicification and iron staining with scattered chaledonic veins/veinlets. Approximate dimensions of the Grassy Mountain deposit are 1600 feet long by 1000 feet wide by 600 feet thick. The deposit has a general N70 E elongation and a 15° bedding plane dip to the north-northeast as a result of faulting and fault block rotation. There is an envelope of lower grade mineralization at depths of 200 to 800 feet which contains a higher-grade zone of mineralization between 500 and 750 feet below the surface. The well-defined base of higher grade mineralization from about 700 to 750 feet in depth suggests a strong pressure-temperature control on gold deposition. Sinters and breccias parallel the paleosurface present at the time of mineralization. Fractures created a stockwork pattern generally found below the sinter, though some vein extensions may extend to the surface. The stockwork is surrounded by silicified sediments. Mineralized quartz-adularia stockwork and vein types include single, banded, colliform, brecciated, and calcite-pseudomorphed veins. Visible gold (0.5 mm) has been found within the stockwork portions of the boiling horizon. The gold mostly occurs as electrum along the fracture margins or within microscopic voids. A brassy color is imparted due to the high silver content. The average silver to gold ratio at Grassy Mountain is 2.5:1.

Silicification occurs both pervasively as silica flooding and as cross-cutting veins, veinlets and stockworks. The silicified envelope has plan dimensions of 3000 feet (N-S) by 2500 feet (E-W). Silicification is surrounded by barren, relatively unaltered, clay-rich (20-40% montmorillonite), tuffaceous siltstone and arkose with minor disseminated diagenetic pyrite. Many of the sinters occur as sheets instead of mounds, which suggests that they may be related to vents along faults rather than point sources. Potassic alteration occurs as adularia flooding with destruction of biotite. The adularia is extremely fine-grained and is identified microscopically or by cobaltinitrite staining. Sulfate phases identified by XRD include jarosite and alunite in several mineralized samples. Clast-supported breccias contain sub-rounded to sub-angular sand to boulder-sized clasts of silicified arkose and siltstone in a jarosite-sericite clay matrix.

The Grassy Mountain deposit has a trace element signature that includes low levels of As, Sb, and Hg.

## **Other Non-Material Properties**

### ***NEVADA***

The Company owns additional mining claims in the State of Nevada that represents its non-material properties. The Mill Creek property which comprises 36 unpatented lode mining claims are located in Lander County. The Company intends to maintain the annual mining claim fees of approximately \$7,000 for these claims and is actively marketing them for sale to interested third parties.

The Mill Creek claims are without known mineral reserves and there is no current exploratory work being performed.

### ***OREGON***

In October 2018, Paramount entered into an agreement with Cryla LLC ("Cryla") that gives the Company the right to acquire 44 mining claims covering 580 acres located immediately to the west of the proposed Grassy Mountain Project. Paramount will make annual lease payments to Cryla and following year three of the agreement, Paramount has the right to purchase the claims for a cash

payment of \$560,000. If purchased, Cryla will maintain a production Net Smelter Royalty (“NSR”) based on the prevailing price of gold. Paramount has the right to reduce the NSR from 2% to 1% for a payment of \$800,000.

In November 2018, Paramount entered into an agreement with Nevada Select Royalty (“Nevada Select”) to purchase 100% interest in the Frost Project, which consists of 40 mining claims located approximately 12 miles west of its Grassy Mountain Project. A total consideration of \$250,000 payable to Nevada Select will be based on certain events over time. Nevada Select will retain a 2% NSR on the Frost Claims and Paramount has the right to reduce the NSR to 1% for a payment of \$1 million.

**Item 3. Legal Proceedings.**

None

**Item 4. Mine Safety Disclosures.**

Not applicable.

## PART II

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### MARKET INFORMATION

Our common stock began trading on the NYSE American LLC under the symbol “PZG” on April 20, 2015. Prior to that time, there was no public market for our stock. The following table sets forth for the indicated periods the high and low intra-day sales prices per share for our common stock on the NYSE American LLC for the two most recent years.

	Year Ended June 30, 2019	High	Low
First Quarter	\$	1.29	1.01
Second Quarter		1.24	0.83
Third Quarter		1.04	0.81
Fourth Quarter		0.90	0.70
	Year Ended June 30, 2018		
First Quarter	\$	1.80	1.38
Second Quarter		1.64	1.16
Third Quarter		1.44	1.18
Fourth Quarter		1.64	1.21

#### HOLDERS

As of September 12, 2019, there were 148 registered shareholders of our common stock.

#### DIVIDENDS

We currently do not anticipate paying cash dividends for the foreseeable future.

#### RECENT SALE OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

On June 25, 2018, the Company entered into definitive agreements with accredited investors to issue common stock and warrants in a private transaction (the “Transaction”). Under the terms of the Transaction, Paramount has sold an aggregate of 2,400,000 units at \$1.25 per unit for aggregate proceeds of \$3,000,000. Each unit consists of one share of common stock and one warrant to purchase one-half of a share of common stock. Each warrant will have a two-year term and will be exercisable at the following exercise prices: in the first year at \$1.30 per share and in the second year at \$1.50 per share. The Transaction closed on July 6, 2018. There were no commissions or underwriting fees paid in connection with the Transaction.

#### EQUITY COMPENSATION PLAN

Set out below is information as of June 30, 2019 with respect to compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance under our Equity Incentive Plan.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price per share of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,568,995	\$ 1.50	600,000
Equity compensation plans not approved by security holders	—	\$ —	—
<b>TOTAL</b>	<b>1,568,995</b>		<b>600,000</b>

## **Item 6. Selected Financial Data.**

Not applicable as a smaller reporting company.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **Overview**

We are an emerging growth company engaged in the business of acquiring, exploring and developing precious metal projects in the United States of America. Paramount owns advanced stage exploration projects in the states of Nevada and Oregon. We enhance the value of our projects by implementing exploration and engineering programs that are likely to expand and upgrade known mineralized material to reserves. The following discussion updates our outlook and plan of operations for the foreseeable future. It also analyzes our financial condition and summarizes the results of our operations for the years ended June 30, 2019 and 2018 and compares each year's results to the results of the prior year.

### **Operating Highlights:**

In July 2018, the Company issued 2,400,000 units at \$1.25 per unit for gross proceeds of \$3,000,000. Each unit consists of one share of common stock and one warrant to purchase one-half of a share of common stock. Each warrant will have a two-year term and will be exercisable at the following exercise prices: in the first year at \$1.30 per share and in the second year at \$1.50 per share.

In October 2018, Paramount entered into an agreement with Cryla that gives the Company the right to acquire 44 mining claims covering 580 acres located immediately to the west of the proposed Grassy Mountain Project. Paramount will make annual lease payments to Cryla and following year three of the agreement, Paramount has the right to purchase the claims for a cash payment of \$560,000. If purchased Cryla will maintain a production Net Smelter Royalty ("NSR") based on the prevailing price of gold. Paramount has the right to reduce the NSR to 1% for a payment of \$800,000.

In November 2018, Paramount entered into an agreement with Nevada Select to purchase 100% in the Frost Project, which consists of 40 mining claims located approximately 12 miles west of its Grassy Mountain Project. A total consideration of \$250,000 payable to Nevada Select will be based on certain events over time. Nevada Select will retain a 2% NSR on the Frost Claims and Paramount has the right to reduce the NSR from 2% to 1% for a payment of \$1 million.

In December 2018, Paramount completed an airborne helicopter magnetic and radiometric survey that was conducted over the entire Grassy Mountain Project to map structures and magnetic anomalies. The survey data was integrated with previously completed surface geochemistry, mapping and resistivity data to assist in defining future drilling targets.

In January 2019, the Company's 1,045,000 warrants that were issued and outstanding with an exercise price of \$2.25 and an expiry date of February 13, 2019 were repriced by the Company to an exercise price of \$0.93. As result of the repricing, 1,045,000 warrants were exercised and shares of common stock were issued for gross proceeds of \$971,850.

During fiscal year ended June 30, 2019, we continued to receive acceptances from the Oregon Department of Geology and Mineral Industries ("DOGAMI") of submitted baseline environmental reports, bringing the total to 17 reports accepted by the appropriate state agencies. These baseline reports are required for permitting the Company's 100%-owned Grassy Mountain gold project in eastern Oregon.

In June 2019, we announced that we had entered into an agreement with Ausenco Engineering Canada Inc. ("Ausenco") to complete a National Instrument 43-101 Feasibility Study ("FS") for its proposed Grassy Mountain gold mine in eastern Oregon. In lieu of cash compensation, Ausenco or a wholly owned subsidiary in the Ausenco Pty Ltd Group will receive 100% of its fees in restricted common stock of Paramount, resulting in the issuance of 1,109,225 shares to Ausenco. The common stock will be escrowed until Ausenco delivers a final FS to Paramount.

## **Outlook and Plan of Operation:**

We believe that investors will gain a better understanding of our company if they understand how we measure and talk about our results. As an exploration and development company, we recognize the importance of managing our liquidity and capital resources. We pay close attention to non-discretionary cash expenses and look for ways to minimize them when possible. We ensure we have sufficient cash on hand to meet our annual land holding costs as the maintenance of mining claims and leases are essential to preserve the value of our mineral property assets.

For the upcoming fiscal year, we intend to undertake the following:

### **Sleeper Gold Project:**

The Company is expected to focus its efforts on its reclamation and claim management activities for the fiscal year ending June 30, 2020. For these activities, the Company has budgeted approximately \$0.7 million. Of this budgeted amount approximately \$0.4 million has been allocated for claim maintenance and the remaining amount of \$0.3 to other general and administration expenses. All reclamation expenses are reimbursed by an in place insurance program.

### **Grassy Mountain Project:**

Paramount expects to perform multiple activities for its Grassy Mountain Project in the upcoming fiscal year. Paramount expects to submit a consolidated mining permit application and allocate resources for the application's evaluation by the State of Oregon. The Company will also submit a plan of operations with the Bureau of Land Management, which will initiate a federal environmental review process for the Grassy Mountain Project. As previously reported, Ausenco will complete a feasibility study for the project. In addition to its permitting activities, the Company will implement an exploration program on selective targets on the recently acquired Frost Project.

The Company has estimated costs of approximately \$4 million for these activities for the fiscal year ending June 30, 2020.

## **Comparison of Operating Results for the year ended June 30, 2019 as compared to June 30, 2018**

### **Results of Operations**

We did not earn any revenue from mining operations for the years ended June 30, 2019 and 2018. During the year ended June 30, 2019, we completed various activities and milestones as described above in operating highlights. Other normal course of business activities included filing annual mining claim fees with the BLM, reclamation work at the Sleeper mine site and on-going reviews of its mining claims were completed.

### **Net Loss**

Our net loss for the year ended June 30, 2019 was \$5,970,048 compared to a net loss of \$6,068,154 in the previous year. The decrease of approximately 2% is fully described below. We will continue to incur losses for the foreseeable future as we continue with our planned exploration programs.

### **Expenses**

#### ***Exploration and Land Holding Costs***

For the year ended June 30, 2019, exploration expenses were \$3,558,663 compared to \$4,222,612 in the prior year. This represents a decrease of 16% or \$663,949. In the current fiscal year, the Company completed activities related to the PFS on Grassy Mountain. Total exploration expenses at Grassy Mountain during the year were \$2,722,292. For the year ended June 30, 2019, the Company continued developing mine design plans required to satisfy permit application requirements at the Grassy Mountain Project. The Company also submitted its conditional land use permit application with the county of Malheur, the approval of which is a required component of the Company's upcoming consolidated permit application with the state of Oregon for its Grassy Mountain Project. Also included were other expenses related to the permitting activities in the state of Oregon.

For the year ended June 30, 2019, land holding costs increased by 17% or by \$90,436 from the prior year to \$610,018. The increase was due to the additional claim fees payments and agreement payments related to the Cryla and Nevada Select transactions.

### ***Salaries and Benefits***

For the year ended June 30, 2019, salary and benefits increased by 41% or by \$272,109 from the prior year to \$929,179. Salary and benefits is comprised of cash and stock based compensation of the Company's executive and corporate administration teams. The increase reflects the addition of corporate management from the comparable prior year period. Included in the salary and benefits expense amount for the year ended June 30, 2019 and 2018 was a non-cash stock based compensation of \$231,527 and \$71,335, respectively.

### ***Professional Fees and General and Administration***

For the year ended June 30, 2019, professional fees were \$186,852 compared to \$113,783 in the prior year. This represents a increase of 64% or \$73,069. For the year ended June 30, 2019, the Company incurred one-time legal fees related to permitting at its Grassy Mountain Project.

For the year ended June 30, 2019, general and administration expenses increased by 24% to \$651,538 from \$523,890 in the prior year. The increase reflects additional general and administration expenses, increased compliance costs and increased travel and marketing expenses from the prior year.

### **Liquidity and Capital Resources**

As an exploration and development company, Paramount funds its operations, reclamation activities and discretionary exploration programs with its cash on hand. At June 30, 2019, we had cash and cash equivalents of \$463,690 compared to \$297,389 as at June 30, 2018.

The main uses of cash were comprised of the following material amounts:

- Cash used to fund our operations which included general and administration expenses, land holding costs, exploration programs at our Grassy Mountain of \$ 5,633,514.

Cash used in operating activities were offset by the following:

- Cash received from the sale of a royalty on its Sleeper Gold Project of \$1,927,659; and
- Cash received from financing and exercise of warrants of \$3,872,156.

We anticipate our twelve month cash expenditures for our fiscal year ending June 30, 2020 to be as follows:

- \$1.7 million on corporate administration expenses (expenses include executive management and employee salaries, legal, audit, marketing and other general and administrative expenses)
- \$0.70 million on the Sleeper Gold Project (expenses include reclamation costs, employee salary and benefits, and land holding costs)
- \$4 million on the Grassy Mountain Project (expenses include consulting fees, land holding costs and general and administration expenses, environmental impact statement preparation, State of Oregon permit application and evaluation activities)

Subsequent to the year-ended June 30, 2019, the issued 1,096,791 shares of common stock to Ausenco in exchange for services to complete a feasibility study at its Grassy Mountain Project. The shares will be held in escrow until Ausenco delivers a feasibility study to the Company which is expected to be completed in our fiscal year ending June 30, 2020.

Subsequent to the year-ended June 30, 2019, the Company entered into definitive agreements with accredited investors to issue convertible notes in a private transaction (the "Transaction"). Under the terms of the Transaction, Paramount has agreed to sell an aggregate of 5,478 notes at \$975 per \$1000 face amount with a four year maturity for aggregate proceeds of \$5.34 million. Each convertible note will bear interest rate of 7.5% per annum, payable semi-annually. The principle amount of the convertible notes will be convertible at a price of \$1.00 per share of Paramount common stock.

In order for us to complete our anticipated cash-budget, the company will require further capital resources. Historically, we and other similar exploration and development public companies have accessed capital through equity financing arrangements or by the sale of royalties on its mineral properties. If, however we are unable to obtain additional capital or financing, our exploration and development activities will be significantly adversely affected.

## Contractual Obligations

The following table summarizes our obligations and commitments as of June 30, 2019 to make future payments under certain contracts, aggregated by category of contractual obligation, for specified time periods:

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Accounts Payable & Accrued Liabilities	\$ 980,311	\$ 980,311	—	—	—
Asset Retirement Obligations	965,677	97,287	210,648	91,426	566,316
Total	\$ 1,945,988	\$ 1,077,598	\$ 210,648	\$ 91,426	\$ 566,316

## Critical Accounting Policies

Management considers the following policies to be most critical in understanding the judgments that are involved in preparing the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows. Our financial statements are affected by the accounting policies used and the estimates and assumptions made by management during their preparation. Management believes the Company's critical accounting policies are those related to mineral property acquisition costs, exploration and development cost, stock based compensation, derivative accounting and foreign currency translation.

### *Estimates*

The Company prepares its consolidated financial statements and notes in conformity to United States Generally Accepted Accounting Principles ("U.S. GAAP") and requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, management evaluates these estimates, including those related to allowances for doubtful accounts receivable and long-lived assets. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

### *Mineral property acquisition costs*

The Company capitalizes the cost of acquiring mineral properties and will amortize these costs over the useful life of a property following the commencement of production or expense these costs if it is determined that the mineral property has no future economic value or the properties are sold or abandoned. Costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts of the specific mineral property at the time the payments are made.

The amounts recorded as mineral properties reflect actual costs incurred to acquire the properties and do not indicate any present or future value of economically recoverable reserves.

### *Exploration expenses*

We record exploration expenses as incurred. When we determine that precious metal resource deposit can be economically and legally extracted or produced based on established proven and probable reserves, further exploration expenses related to such reserves incurred after such a determination will be capitalized. To date, we have not established any proven or probable reserves and will continue to expense exploration costs as incurred.

### *Asset Retirement Obligation*

The fair value of the Company's asset retirement obligation ("ARO") is measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk free rate of interest, while taking into account the inflation rate. The Company prepares estimates of the timing and amounts of expected cash flows and ongoing reclamation expenditures are charged against the ARO as incurred to the extent they relate to the ARO. Significant judgments and estimates are made when estimating the fair value of AROs.

### *Stock Based Compensation*

For stock option grants with market conditions that affect vesting, the Company uses a lattice approach incorporating a Monte Carlo simulation to value stock options granted.

For stock option grants that have no market conditions that affect vesting, the Company uses the Black-Scholes option valuation model to value stock options granted. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following assumptions were used for the fiscal years ended June 30, 2019 and 2018:

	2019	2018
WA Risk free interest rate	0%	2.54%
WA Expected dividend yield	0%	0%
WA Expected stock price volatility	0%	67.16%
WA Expected life of options	0 years	5 years

### *Reclassification*

Certain comparative figures have been reclassified to conform to the current year-end presentation.

### **Off-Balance Sheet Arrangements**

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, or capital resources.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

#### **Foreign Currency Exchange Rate Risk**

The Company holds cash balances in both U.S. and Canadian dollars. We transact most of our business in U.S. dollars. We do not manage our foreign currency exchange rate risk through the use of financial or derivative instruments, forward contracts or hedging activities.

In general, the strengthening of the U.S. dollar will positively impact our expenses transacted in Canadian dollars. Conversely, any weakening of the U.S. dollar will increase our expenses transacted in Canadian dollars. We do not believe that any weakening of the U.S. dollar as compared to the compared to the Canadian dollar will have an adverse material effect on our operations.

#### **Interest Rate Risk**

The Company's investment policy for its cash and cash equivalents is focused on the preservation of capital and supporting the liquidity requirements of the Company. The Company's interest earned on its cash balances is impacted on the fluctuations of U.S. interest rates. We do not use interest rate derivative instruments to manage exposure to interest rate changes. We do not believe that interest rate fluctuations will have any material effect on our operations.

### **Item 8. Financial Statements and Supplementary Data.**

Our financial statements, accompanying notes and Report of Independent Registered Public Accounting Firm are included in this Annual Report on Form 10-K beginning on page F-1, which are incorporated in this Item 8 by reference.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures.**

#### **DISCLOSURE CONTROLS AND PROCEDURES**

Under the supervision and with the participation of our management, including the Principal Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Principal Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Principal Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

#### **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under then supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2019. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated 2013 Framework. Based on this assessment, our management concluded that, as of June 30, 2019, our internal control over financial reporting is effective based on those criteria.

Because we are an emerging growth company under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting for so long as we are an emerging growth company.

#### **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There were no changes to our internal control over financial reporting that occurred during the year ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **Item 9B. Other Information.**

None.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by Items 401, 405, 406, 407(c)(3), (d)(4) and (d)(5) of Regulation S-K will be contained in the Company's 2019 Proxy Statement, to be filed with the SEC 120 days following the end of the Company's fiscal year ended June 30, 2019 (the "2019 Proxy Statement") and is hereby incorporated by reference thereto.

### **Item 11. Executive Compensation.**

The information required by Item 402 and paragraph (e)(4) and (e)(5) of Item 407 of Regulation S-K will be contained in the Company's 2019 Proxy Statement, to be filed with the SEC 120 days following the end of the Company's fiscal year ended June 30, 2019 and is hereby incorporated by reference thereto.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required by Item 201(d) and Item 403 of Regulation S-K will be contained in the Company's 2019 Proxy Statement, to be filed with the SEC 120 days following the end of the Company's fiscal year ended June 30, 2019 and is hereby incorporated by reference thereto.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by Item 404 and Item 407(a) of Regulation S-K will be contained in the Company's 2019 Proxy Statement, to be filed with the SEC 120 days following the end of the Company's fiscal year ended June 30, 2019 and is hereby incorporated by reference thereto.

### **Item 14. Principal Accounting Fees and Services.**

The information required by Item 9(e) of Schedule 14A will be filed in the Company's 2019 Proxy Statement, to be filed with the SEC within 120 days following the end of the Company's fiscal year ended June 30, 2019 and is hereby incorporated by reference thereto.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules.

(a) The following report and financial statements are filed together with this Annual Report:

(1) Audited Consolidated Financial Statements of Paramount Gold Nevada Corp.

Included in Part II of this report:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of June 30, 2019 and 2018

Consolidated Statements of Operations for the years ended June 30, 2019 and 2018

Consolidated Statements of Cash Flows for the years ended June 30, 2019 and 2018

Consolidated Statements of Stockholders's Equity for the years ended June 30, 2019 and 2018

Notes to Consolidated Financial Statements

(b) Index to Exhibits

<b>Exhibit Number</b>	<b>Description</b>
2.1	Form of Separation and Distribution Agreement by and between Paramount Gold and Silver Corp. and the Registrant. <sup>1</sup>
2.2	Agreement and Plan of Merger among Coeur Mining, Inc., Hollywood Merger Sub, Inc., Paramount Gold and Silver Corp., and the Registrant, Dated as of December 16, 2014. <sup>1</sup>
2.3	Arrangement Agreement and Plan of Arrangement dated March 14, 2016, among Paramount Gold Nevada Corp. and Calico Resources Corp. (Incorporated herein by reference to Exhibit 2.1 to Current Report on Form 8-K of the Company filed on March 17, 2016)
3.1	Certificate of Amended and Restated Articles of Incorporation. <sup>2</sup>
3.2	Amended and Restated Bylaws. <sup>2</sup>
4.1	Form of Warrant (Incorporated herein by reference to Exhibit 4.1 to Current Report on Form 8-K of the Company filed on February 9, 2017)
4.2	Form of Warrant (Incorporated herein by reference to Exhibit 4.1 to Current Report on Form 8-K of the Company filed on June 29, 2018)
10.1	2015 Stock Incentive and Equity Compensation Plan. <sup>2</sup>
10.2	2016 Stock Incentive and Equity Compensation Plan (Incorporated herein by reference to Exhibit 1 to Definitive Proxy Statement on Schedule 14A of the Company filed on October 28, 2016)
10.3	Form of Stock Subscription Agreement between Coeur Mining, Inc. and the Registrant. <sup>3</sup>
10.4	Employment Agreement dated October 26, 2015 between Company and Glen Van Treek (Incorporated herein by reference to Exhibit 10.1 to Current Report on Form 8-K of the Company filed on October 26, 2015)
10.5	Employment Agreement dated October 26, 2015 between Company and Carlo Buffone (Incorporated herein by reference to Exhibit 10.2 to Current Report on Form 8-K of the Company filed on October 26, 2015)
10.6	Amended Employment Agreement Glen Van Treek dated August 10, 2016 (Incorporated herein by reference to exhibit 10.1 to Current Report on Form 8-K of the Company filed on August 12, 2016)
10.7	Amended Employment Agreement Carlo Buffone dated August 10, 2016 (Incorporated herein by reference to exhibit 10.2 to Current Report on Form 8-K of the Company filed on August 12, 2016)
10.8	Form of Subscription Agreement (Incorporated herein by reference to Exhibit 10.1 to Current Report on Form 8-K of the Company filed on February 9, 2017)
10.9	Form of Subscription Agreement (Incorporated herein by reference to Exhibit 10.1 to Current Report on Form 8-K of the Company filed on June 29, 2018)
21.1*	List of subsidiaries.
23.1*	Consent of MNP LLP, Independent Registered Public Accounting Firm
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

\* Filed herewith.

<sup>1</sup> Incorporated by reference to the exhibit filed in the Registrant's Amendment No. 1 to Registration Statement on Form S-1 filed on February 23, 2015.

<sup>2</sup> Incorporated by reference to the exhibit filed in the Registrant's Form 10-Q filed on May 22, 2015.

<sup>3</sup> Incorporated by reference to the exhibit filed in the Registrant's Amendment No. 3 to Registration Statement on Form S-1 filed on April 2, 2015.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Company Name

Date: September 16, 2019

By: */s/ Glen Van Treek*  
**Glen Van Treek**  
**(Director, CEO and President)**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<i>/s/ Glen Van Treek</i> <b>Glen Van Treek</b>	Director and President (Principal Executive Officer)	September 16, 2019
<i>/s/ Carlo Buffone</i> <b>Carlo Buffone</b>	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 16, 2019
<i>/s/ John Seaberg</i> <b>John Seaberg</b>	Director	September 16, 2019
<i>/s/ Rudi Fronk</i> <b>Rudi Fronk</b>	Director	September 16, 2019
<i>/s/ John Carden</i> <b>John Carden</b>	Director	September 16, 2019
<i>/s/ Eliseo Gonzalez-Urien</i> <b>Eiseo Gonzalez-Urien</b>	Director	September 16, 2019
<i>/s/ Christopher Reynolds</i> <b>Christopher Reynolds</b>	Director	September 16, 2019
<i>/s/ Pierre Pelletier</i> <b>Pierre Pelletier</b>	Director	September 16, 2019

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of June 30, 2019 and 2018	F-3
Consolidated Statements of Operations for the Years ended June 30, 2019 and 2018	F-4
Consolidated Statements of Stockholders' Equity for the Years ended June 30, 2019 and 2018	F-5
Consolidated Statements of Cash Flows for the Years ended June 30, 2019 and 2018	F-6
Notes to Consolidated Financial Statements	F-7

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of **Paramount Gold Nevada Corp.**:

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Paramount Gold Nevada Corp. (the Company) as of June 30, 2019 and 2018 and the related statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the years in the two year period ended June 30, 2019, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the two year period ended June 30, 2019 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP<sub>cp</sub>

Chartered Professional Accountants

We have served as the Company's auditor since 2015.

Vancouver, BC, Canada

September 16, 2019

**PARAMOUNT GOLD NEVADA CORP.**  
**Consolidated Balance Sheets**  
**as of June 30, 2019 and 2018**

	As at June 30, 2019	As at June 30, 2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 463,690	\$ 297,389
Prepaid and deposits	348,771	244,125
Other assets	—	16,292
<b>Total Current Assets</b>	<b>812,461</b>	<b>557,806</b>
<b>Non-Current Assets</b>		
Mineral properties (Note 6)	47,055,132	48,860,386
Property and equipment	6,303	8,927
Reclamation bond (Note 7)	1,401,833	1,769,501
<b>Total Non-Current Assets</b>	<b>48,463,268</b>	<b>50,638,814</b>
<b>Total Assets</b>	<b>\$ 49,275,729</b>	<b>\$ 51,196,620</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 980,310	\$ 927,962
Reclamation and environmental obligation, current portion (Note 7)	97,287	101,593
<b>Total Current Liabilities</b>	<b>1,077,597</b>	<b>1,029,555</b>
<b>Non-Current Liabilities</b>		
Reclamation and environmental obligation, non-current portion (Note 7)	868,390	970,958
<b>Total Liabilities</b>	<b>1,945,987</b>	<b>2,000,513</b>
<b>Stockholders' Equity</b>		
Common stock, par value \$0.01, 50,000,000 authorized shares, 26,519,954 issued and outstanding at June 30, 2019 and 23,074,954 issued and outstanding at June 30, 2018 (Note 5)	265,200	230,750
Additional paid in capital	94,764,730	90,695,497
Deficit	(47,700,188)	(41,730,140)
<b>Total Stockholders' Equity</b>	<b>47,329,742</b>	<b>49,196,107</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 49,275,729</b>	<b>\$ 51,196,620</b>

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

**Commitments and Contingencies: Note 12**

**Subsequent Events: Note 13**

**PARAMOUNT GOLD NEVADA CORP.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
**for the Years ended June 30, 2019 and 2018**

	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
<b>Revenue</b>		
Other income (Note 8)	\$ 400,388	\$ 344,632
<b>Total Revenue</b>	<u>400,388</u>	<u>344,632</u>
<b>Expenses</b>		
Exploration (Note 9)	3,558,663	4,222,612
Land holding costs (Note 9)	610,018	519,582
Professional fees	186,852	113,783
Salaries and benefits	929,179	657,070
Directors compensation	153,033	120,123
General and administrative	651,538	523,890
Insurance	130,720	117,824
Depreciation	2,624	3,732
Accretion (Note 7)	165,505	150,736
<b>Total Expenses</b>	<u>6,388,132</u>	<u>6,429,352</u>
<b>Net Loss before other items</b>	<u>5,987,744</u>	<u>6,084,720</u>
<b>Other items</b>		
Interest income	(27,177)	(22,176)
Interest and service charges	9,481	5,610
<b>Net Loss before Income Taxes</b>	<u>5,970,048</u>	<u>6,068,154</u>
<b>Net Loss and Comprehensive Loss</b>	<u>5,970,048</u>	<u>6,068,154</u>
<b>Loss per Common share</b>		
Basic	\$ 0.23	\$ 0.28
Diluted	\$ 0.23	\$ 0.28
<b>Weighted Average Number of Common Shares Used in Per Share Calculations</b>		
Basic	25,855,541	21,566,242
Diluted	25,855,541	21,566,242

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

**PARAMOUNT GOLD NEVADA CORP.**  
**Consolidated Statements of Stockholders' Equity**  
**for the Years ended June 30, 2019 and 2018**

	Shares (#)	Common Stock	Additional Paid- In Capital	Deficit	Total Stockholders' Equity
<b>Balance at June 30, 2017</b>	<b>17,779,954</b>	<b>\$ 177,800</b>	<b>\$84,050,214</b>	<b>\$(35,661,986)</b>	<b>\$ 48,566,028</b>
Stock based compensation	—	—	71,335	—	71,335
Capital issued for financing (Note 5)	5,295,000	52,950	6,573,948	—	6,626,898
Net loss	—	—	—	(6,068,154)	(6,068,154)
<b>Balance at June 30, 2018</b>	<b>23,074,954</b>	<b>\$ 230,750</b>	<b>\$90,695,497</b>	<b>\$(41,730,140)</b>	<b>\$ 49,196,107</b>
Stock based compensation	—	—	231,527	—	231,527
Capital issued for financing (Note 5)	2,400,000	24,000	2,887,286	—	2,911,286
Capital issued for warrant exercise (Note 5)	1,045,000	10,450	950,420	—	960,870
Net loss	—	—	—	(5,970,048)	(5,970,048)
<b>Balance at June 30, 2019</b>	<b>26,519,954</b>	<b>\$ 265,200</b>	<b>\$94,764,730</b>	<b>\$(47,700,188)</b>	<b>\$ 47,329,742</b>

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

**PARAMOUNT GOLD NEVADA CORP.**  
**Consolidated Statements of Cash Flows**  
**for the Years ended June 30, 2019 and 2018**

	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018
Net Loss	\$ (5,970,048)	\$ (6,068,154)
Adjustment for:		
Depreciation	2,624	3,732
Stock based compensation	231,527	71,335
Accretion expense (Note 7)	165,505	150,736
Interest earned on reclamation bond	(27,117)	(22,158)
(Increase) decrease in accounts receivable	—	15,804
(Increase) decrease in other assets	16,292	(16,292)
(Increase) decrease in prepaid expenses	(104,646)	(30,517)
Increase (decrease) in accounts payable and accrued liabilities	52,348	54,835
<b>Cash used in operating activities</b>	<b>(5,633,515)</b>	<b>(5,840,679)</b>
Purchase of mineral properties	—	(2,400,000)
Sale of royalty on mineral property (Note 6)	1,927,660	—
<b>Cash provided by (used in) investing activities</b>	<b>1,927,660</b>	<b>(2,400,000)</b>
Capital issued for financing (Note 5)	2,911,286	6,626,898
Capital issued for warrant exercise (Note 5)	960,870	—
<b>Cash provided by financing activities</b>	<b>3,872,156</b>	<b>6,626,898</b>
Change in cash during year	166,301	(1,613,781)
Cash at beginning of year	297,389	1,911,170
<b>Cash at end of year</b>	<b>\$ 463,690</b>	<b>\$ 297,389</b>

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

**PARAMOUNT GOLD NEVADA CORP.**  
**Notes to Consolidated Financial Statements**

**Note 1. Description of Business and Summary of Significant Accounting Policies**

Paramount Gold Nevada Corp. (the “Company” or “Paramount”), incorporated under the General Corporation Law of the State of Nevada, and its wholly-owned subsidiaries are engaged in the acquisition, exploration and development of precious metal properties. The Company’s wholly owned subsidiaries include New Sleeper Gold LLC, Sleeper Mining Company, LLC, and Calico Resources USA Corp (“Calico”). The Company is in the process of exploring its mineral properties in Nevada and Oregon, United States. The Company’s activities are subject to significant risks and uncertainties, including the risk of failing to secure additional funding to advance its projects and the risks of determining whether these properties contain reserves that are economically recoverable. The Company’s shares of common stock trade on the NYSE AMERICAN LLC under the symbol “PZG”.

**Basis of Presentation and Preparation**

The consolidated financial statements are prepared by management in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and are presented in US dollars. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

**Foreign Currency Translation and Transactions**

The Company’s functional and reporting currency is the United States dollar. Foreign denominated monetary assets and liabilities are translated into their U.S. dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenues and expenses are translated at average rates of exchange during the period. Related translation adjustments as well as gains or losses resulting from foreign currency transactions are reported as part of operating expenses on the statement of operations.

**Use of Estimates**

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made by management in the accompanying consolidated financial statements include the adequacy of the Company’s reclamation and environmental obligation, share based compensation, warrant valuation, valuation of deferred tax asset, and assessment of impairment of mineral properties.

**Cash and Cash Equivalents**

All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash and cash equivalents. The carrying amount of these securities approximates fair value because of the short-term maturity of these instruments.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents. The Company maintains cash in accounts which may, at times, exceed federally insured limits. At June 30, 2019, there were no balances that were in excess of federally insured limits. The Company deposits its cash with financial institutions which it believes have sufficient credit quality to minimize the risk of loss.

**Fair Value Measurements**

The Company has adopted FASB ASC 820, Fair Value Measurements and Disclosures, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. The Company applies fair value accounting for all financial assets and liabilities and non – financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has adopted FASB ASC 825, Financial Instruments, which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The Company has not elected the fair value option for any eligible financial instruments.

### **Stock Based Compensation**

The Company has adopted the provisions of FASB ASC 718, “*Stock Compensation*” (“ASC 718”), which establishes accounting for equity instruments exchanged for employee services. Under the provisions of ASC 718, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee’s requisite service period (generally the vesting period of the equity grant). New shares of the Company’s common stock will be issued for any options exercised.

### **Mineral Properties**

Mineral property acquisition costs are capitalized when incurred and will be amortized using the units-of-production method over the estimated life of the reserve following the commencement of production. If a mineral property is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment.

Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Net proceeds from the sale of royalties are deducted from the carrying value of the mineral properties.

### **Exploration Costs**

Exploration costs, which include maintenance, development and exploration of mineral claims, are expensed as incurred. When it is determined that a mineral deposit can be economically developed as a result of establishing proven and probable reserves, the costs incurred after such determination will be capitalized and amortized over their useful lives. To date, the Company has not established the commercial feasibility of its exploration prospects; therefore, all exploration costs are being expensed.

### **Property and Equipment**

Equipment is recorded at cost less accumulated depreciation. All equipment is depreciated over its estimated useful life at the following annual rates:

Computer equipment	30% declining balance
Equipment	20% declining balance

### **Long-Lived Assets**

In accordance with ASC 360, “Property, Plant, and Equipment”, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount exceeds fair value.

### **Reclamation and Environmental Obligation**

The Company follows the provisions of ASC 440, “Asset Retirement and Environmental Obligations”, which establishes the standards for the initial measurement and subsequent accounting for obligations associated with the sale, abandonment, or other disposal of long-lived tangible assets arising from the acquisition, construction or development and for normal operations of such assets. The Company’s asset retirement obligations are further described in Note 7.

## Net Loss per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during each period. Diluted loss per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

For the years ended June 30, 2019 and 2018, the shares of common stock equivalents related to outstanding stock options have not been included in the diluted per share calculation as they are anti-dilutive as the Company has recorded a net loss from continuing operations for each year.

## Revenue Recognition

The Company adopted Accounting Standards Code Topic 606, “Revenue from Contracts with Customers” (“Topic 606”) with a date of initial application of July 1, 2018. As a result of this adoption, the Company has changed its accounting policy for revenue recognition. Revenue is measured based on the amount of consideration that is expected to be received by the Company for providing goods or services under a contract with a customer, which is initially estimated with pricing specified in the contract and adjusted primarily for sales returns, discounts and other credits at contract inception then updated each reporting period. The Company recognizes revenue when persuasive evidence of a contract with a customer exists and a performance obligation is identified and satisfied as the customer obtains control of the goods or services.

Revenue is recognized net of any taxes collected from customers and subsequently remitted to governmental authorities.

When the Company performs shipping and handling activities after the customer obtains control of the goods, the Company accounts for the costs as fulfillment costs which are included in cost of revenues, as allowed under Topic 606.

## Income Taxes

Income taxes are determined using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted FASB ASC 740 as of its inception. Pursuant to FASB ASC 740 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future periods; and accordingly is offset by a valuation allowance. FIN No.48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken in tax returns.

To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts would be accrued and classified as a component of income tax expense in our Consolidated Statements of Operations and Comprehensive Loss. The Company elected this accounting policy, which is a continuation of our historical policy, in connection with our adoption of FIN 48.

## Note 2. Recent Accounting Guidance

In August 2016, the FASB issued ASU No. 2016-15, “Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments”. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. These amendments provide cash flow statement classification guidance for:

1. Debt Prepayment or Debt Extinguishment Costs;
2. Settlement of Zero-Coupon Debt Instruments or Other Debt Instruments with Coupon Interest Rates That Are Insignificant in Relation to the Effective Interest Rate of the Borrowing;
3. Contingent Consideration Payments Made after a Business Combination;

4. Proceeds from the Settlement of Insurance Claims;
5. Proceeds from the Settlement of Corporate-Owned Life Insurance Policies, including Bank-Owned Life Insurance Policies;
6. Distributions Received from Equity Method Investees;
7. Beneficial Interests in Securitization Transactions; and
8. Separately Identifiable Cash Flows and Application of the Predominance Principle.

The Company's adoption of this guidance on July 1, 2018 did not have a material impact on the Company's related disclosures.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities to improve the recognition and measurement of financial instruments the new guidance makes targeted improvements to existing U.S. GAAP by:

- Requiring equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income;
- Requiring public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes;
- Requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements;
- Eliminating the requirement to disclose the fair value of financial instruments measured at amortized cost for organizations that are not public business entities;
- Eliminating the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; and
- Requiring a reporting organization to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

The new guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company's adoption of this guidance on July 1, 2018, did not have a material impact on the Company's consolidated results of operations, financial position and related disclosures.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. ASU 2017-01 is effective for fiscal years beginning after December 15, 2017, and interim periods within that reporting period. These amendments clarify the definition of a business. The amendments affect all companies and other reporting organizations that must determine whether they have acquired or sold a business. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The amendments are intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. These changes were adopted for the Company's fiscal year beginning July 1, 2018 and did not have a material impact on the Company's consolidated financial position, results of operations, and cash flows.

In February 2017, the FASB issued ASU No. 2017-05, Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets. ASU 2017-05 is effective for fiscal years beginning after December 15, 2017, and interim periods within that reporting period. The amendments clarify that a financial asset is within the scope of Subtopic 610-20 if it meets the definition of an in substance nonfinancial asset. The amendments also define the term in substance nonfinancial asset. The amendments clarify that nonfinancial assets within the scope of Subtopic 610-20 may include nonfinancial assets transferred within a legal entity to a counterparty. For example, a parent may transfer control of nonfinancial assets by transferring ownership interests in a consolidated subsidiary. A contract that includes the transfer of ownership interests in one or more consolidated subsidiaries is within the scope of Subtopic 610-20 if substantially all of the fair value of the assets that are promised to the counterparty in a contract is concentrated in nonfinancial assets. The amendments clarify that an entity should identify each distinct nonfinancial asset or in substance nonfinancial asset promised to a counterparty and derecognize each asset when a counterparty obtains control of it. The Company's adoption of this guidance on July 2018, did not have a material impact on the Company's consolidated results of operations, financial position and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. These changes will be effective for the Company's fiscal year beginning July 1, 2019. The Company is currently evaluating

the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses. The changes will be effective for the Company's fiscal year beginning July 1, 2020. Among other things, these amendments require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company is currently evaluating the potential impact. The Company is currently evaluating the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement. These changes will be effective for the Company's fiscal year beginning July 1, 2020. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted. The Company is currently evaluating the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

### Note 3. Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization with the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs that are both significant to the fair value measurement and unobservable.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets	Total	Fair Value at June 30, 2019			June 30, 2018
		Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 463,690	463,690	—	—	\$ 297,389

The Company's cash and cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash and cash equivalents that are valued based on quoted market prices in active markets are primarily comprised of commercial paper, short-term certificates of deposit and U.S. Treasury securities.

### Note 4. Non-Cash Transactions

During the years ended June 30, 2019 and 2018, the Company did not enter into any non-cash activities.

## Note 5. Capital Stock

### Authorized Capital

Authorized capital stock consists of 50,000,000 common shares with par value of \$0.01 per common share (2018- 50,000,000 common shares with par value \$0.01 per common share).

During the year-ended June 30, 2019, the Company issued 2,400,000 units at \$1.25 per unit for aggregate proceeds of \$3 million. Share issuance costs were \$0.09 million for net proceeds of \$2.91 million. Each unit consists of one share of common stock and one warrant to purchase one-half of a share of common stock. Each warrant will have a two year term and will be exercisable at the following exercise prices: in the first year at \$1.30 per share and in the second year at \$1.50 per share. Also during the year ended June 30, 2019, the Company issued 1,045,000 shares from the exercising of warrants for gross proceeds of \$0.96 million.

During the year-ended June 30, 2018, the Company issued 5,295,000 shares of its common stock. The issuance was a result of a public offering of 3,520,000 shares of common stock for gross proceeds of \$4.9 million and of a private placement of 1,775,000 shares of common stock for gross proceeds of \$2.5 million. Share issuance costs were \$0.79 million for net proceeds of \$6.6 million.

At June 30, 2019 there were 26,519,954 common shares issued and outstanding (June 30, 2018 - 23,074,954 common shares).

### Warrants

A summary of warrant exercisable into common stock as of June 30, 2019, and changes during year ended is presented below:

	Warrants	Weighted Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (\$)
Outstanding at July 1, 2018	1,045,000	\$ 2.13	1.67	—
Issued	1,200,000	1.40	1.03	—
Exercised	(1,045,000)	0.93	—	—
Outstanding at June 30, 2019	<u>1,200,000</u>	<u>\$ 1.40</u>	<u>1.03</u>	<u>—</u>

During the year-ended June 30, 2019, the Company repriced 1,045,000 warrants that were issued and outstanding with an exercise price of \$2.25 to an exercise price of \$0.93. As a result, 1,045,000 warrants were exercised during the year-ended June 30, 2019.

### Stock Options and Stock Based Compensation

Paramount's 2015 and 2016 Stock Incentive and Compensation Plan, which is shareholder-approved, permits the grant of share options and shares to its employees for up to 1.569 million shares of common stock. In December 2018, the Company's stockholders approved an increase of 0.6 million stock options and stock available to be granted to its employees under the 2016 Stock Incentive and Compensation Plan. Option awards are generally granted with an exercise price equal to the market price of Paramount's stock at the date of grant and have contractual lives of 5 years. To better align the interests of its key executives and employees with those of its shareholders a significant portion of those share option awards will vest contingent upon meeting certain stock price appreciation performance goals. Option and share awards provide for accelerated vesting if there is a change in control (as defined in the employee share option plan).

The fair value of option awards that have market conditions are estimated on the date of grant using a Monte-Carlo Simulation valuation model. The award's grant date fair value is determined by taking the average of the grant date fair values under each of many Monte Carlo trials. There were no options granted during the fiscal years ended June 30, 2019 and 2018 with market conditions.

The fair value of option awards that do not have market conditions are estimated on the date of grant using a Black-Scholes option valuation model that uses the assumptions noted in the following table. Because Black-Scholes option valuation models incorporate ranges of assumptions for inputs, those ranges are disclosed. Given Paramount's short history as a public company, expected volatilities are based on, historical volatilities from five proxy companies' stock. Paramount uses historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is derived from the output of the

option valuation model and represents the period of time that options granted are expected to be outstanding; the range given below results from certain groups of employees exhibiting different behavior. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2019	2018
Weighted average risk-free interest rate	0.00%	2.54%
Weighted-average volatility	0.00%	67.16%
Expected dividends	0.00	0.00
Weighted average expected term (years)	—	5
Weighted average fair value	\$ —	\$ 0.78

A summary of option activity under the Stock Incentive and Compensation Plan as of June 30, 2019, and changes during the year then ended is presented below.

Options	Shares	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$)
Outstanding at July 1, 2018	1,568,995	\$ 1.50	2.86	
Granted	—	—		
Exercised	—	—		
Forfeited or expired	—	—		
Outstanding at June 30, 2019	<u>1,568,995</u>	<u>\$ 1.50</u>	<u>1.94</u>	<u>\$ —</u>
Exercisable at June 30, 2019	<u>1,228,335</u>	<u>\$ 1.50</u>	<u>1.52</u>	<u>\$ —</u>

A summary of the status of Paramount's non-vested shares as of June 30, 2019 and changes during the year ended June 30, 2019 is presented below.

Non-vested Options	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at July 1, 2018	557,329	\$ 0.79
Granted	—	—
Vested	216,669	0.93
Forfeited	—	—
Nonvested at June 30, 2019	<u>340,660</u>	<u>\$ 1.47</u>

As of June 30, 2019 and 2018, there was \$108,003 and \$330,071 respectively of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the employee share option plan. That cost is expected to be recognized over a weighted-average period of 1.28 years. The total fair value of shares vested during the years ended June 30, 2019 and 2018, was \$202,121 and \$nil, respectively.

## Note 6. Mineral Properties

The Company has capitalized acquisition costs on mineral properties as follows:

	June 30, 2019	June 30, 2018
Sleeper	\$ 23,869,404	\$ 25,674,658
Grassy Mountain	23,185,728	23,185,728
	<u>\$ 47,055,132</u>	<u>\$ 48,860,386</u>

### Sleeper:

Sleeper is located in Humboldt County, Nevada approximately 26 miles northwest of the town of Winnemucca. The Sleeper Gold Mine consists of 2,322 unpatented mining claims totaling approximately 38,300 acres.

During the year-ended June 30, 2019, the Company sold to Franco Nevada U.S. Corporation (“Franco”) a two percent (2%) net smelter return royalty on minerals produced from its Sleeper Gold property for gross cash proceeds of \$2,000,000. Net proceeds of the transaction of \$1,927,659 decreased the carrying value of the Sleeper property. This decrease was offset by the change in reclamation and environmental obligation of \$122,406 (Note 7).

**Grassy Mountain:**

The Grassy Mountain Project is located in Malheur County, Oregon, approximately 22 miles south of Vale, Oregon, and roughly 70 miles west of Boise, Idaho. It consists of 442 federal mining claims, 3 patented lode claims, and various leased fee land surface and surface/mineral rights, all totaling approximately 9,300 acres.

During the year ended June 30, 2018, Paramount exercised its option to reduce the existing Net Smelter Royalty (“NSR”) from 6% down to 1.5% and to acquire all rights to the private land at Grassy Mountain Project in Oregon for a total payment of \$2.4 million.

**Note 7. Reclamation and Environmental Obligation:**

The Company holds an insurance policy which is in effect until 2033 related to its Sleeper Gold Project. The policy covers reclamation costs up to an aggregate of \$25 million in the event the Company’s bond is insufficient to cover any mandated reclamation obligations.

As a part of its insurance program, the Company has funds in a commutation account which is used to reimburse reclamation costs and indemnity claims. The balance of the commutation account and reclamation bonds at June 30, 2019 is \$1,401,833 (June 30, 2018 - \$1,769,501).

Reclamation and environmental costs are based principally on legal requirements. Management estimates costs associated with reclamation of mineral properties and properties under mine closure. On an ongoing basis the Company evaluates its estimates and assumptions; however, actual amounts could differ from those based on estimates and assumptions.

The asset retirement obligation at the Sleeper Gold Project has been measured using the following variables: 1) Expected costs for earthwork, re-vegetation, in-pit water treatment, on-going monitoring, labor and management, 2) Inflation adjustment, and 3) Market risk premium. The sum of the expected costs by year is discounted using the Company’s credit adjusted risk free interest rate from the time it expects to pay the retirement obligation to the time it incurs the obligation. The reclamation and environmental obligation recorded on the balance sheet is equal to the present value of the estimated costs.

The current undiscounted estimate of the reclamation costs for existing disturbances at the Sleeper Gold Project is \$3,977,751 as required by U.S Bureau of Land Management and the Nevada Department of Environmental Protection. Assumptions used to compute the asset retirement obligations for the year ended June 30, 2019 for the Sleeper Gold Project included a credit adjusted risk free rate and inflation rate of 9.76% (2018 – 9.76%) and 1.6% (2018 – 2.0%), respectively. Expenses are expected to be incurred between the years 2019 and 2056.

Changes to the Company’s reclamation and environmental obligation for the year ended June 30, 2019 are as follows:

	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Balance at beginning of year	\$ 1,072,551	\$ 1,261,034
Accretion expense	165,505	150,736
Payments	(394,785)	(339,219)
Change in estimate of existing obligation	122,406	—
Balance at end of year	\$ 965,677	\$ 1,072,551

The balance of the reclamation and environmental obligation of \$965,677 (2018 - \$1,072,551) is comprised of a current portion of \$97,287 (2018 - \$101,593) and a non-current portion of \$868,390 (2018 - \$970,958).

## Note 8. Other Income

The Company's other income details were as follows:

	Year Ended 2019	Year Ended 2018
Re-imbursement of reclamation costs	\$ 394,785	\$ 339,219
Leasing of water rights to third party	5,520	5,413
Reimbursement of workers compensation insurance	83	—
<b>Total</b>	<b>\$ 400,388</b>	<b>\$ 344,632</b>

## Note 9. Segmented Information

Segmented information has been compiled based on the material mineral properties in which the Company performs exploration activities.

Expenses and mineral property carrying values by material project for the year ended June 30, 2019:

	Exploration Expenses	Land Holding Costs	Mineral Properties As at June 30, 2019
Sleeper Gold Project	\$ 836,371	\$ 409,931	\$ 23,869,404
Grassy Mountain Project	2,722,292	200,087	23,185,728
	<u>\$ 3,558,663</u>	<u>\$ 610,018</u>	<u>\$ 47,055,132</u>

Expenses and mineral property carrying values by material project for the year ended June 30, 2018:

	Exploration Expenses	Land Holding Costs	Mineral Properties As at June 30, 2018
Sleeper Gold Project	\$ 761,296	\$ 409,837	\$ 25,674,658
Grassy Mountain Project	3,461,316	109,745	23,185,728
	<u>\$ 4,222,612</u>	<u>\$ 519,582</u>	<u>\$ 48,860,386</u>

## Note 10. Income Taxes

At June 30, 2019, the Company has net operating loss carry forwards of \$43,150,088 (2018 - \$38,238,601) expiring between the years 2020 and 2037 which are available to reduce future taxable income. The tax effects of the significant components within the Company's deferred tax asset (liability) at June 30, 2019 and 2018 are as follows:

United States	2019	2018
Mineral properties	\$ 390,422	\$ 166,476
Asset retirement obligation	177,087	225,236
Stock options	313,519	264,898
Net operating losses	9,061,518	8,042,088
	<u>\$ 9,942,546</u>	<u>\$ 8,698,698</u>
Valuation allowance	(9,942,546)	(8,698,698)
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

The income tax recovery differs from the amounts computed by applying statutory tax to pre-tax losses as a result of the following:

	2019	2018
Income (Loss) before taxes	\$ (5,970,048)	\$ (6,068,154)
US Statutory tax rate	21.00%	21.00%
Expected income tax (recovery)	(1,253,710)	(1,274,312)
Non-deductible items	2,190	98
Change in estimates	7,671	(1,609,037)
Other items	—	—
Change in tax rates	—	4,596,096
Change in valuation allowance	1,243,849	(1,712,825)
Total income taxes (recovery)	<u>\$ —</u>	<u>\$ —</u>
Current tax expense (recovery)	—	—
Deferred tax expense (recovery)	—	—
	<u>\$ —</u>	<u>\$ —</u>

The potential tax benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

#### Accounting for uncertainty for Income Tax

Income taxes are determined using assets and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Effective July 1, 2009, the Company adopted the interpretation for accounting for uncertainty in income taxes which was an interpretation of the accounting standard accounting for income taxes. This interpretation created a single model to address accounting for uncertainty in tax positions. This interpretation clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

As at June 30, 2019 and 2018, the Company's consolidated balance sheets did not reflect a liability for uncertain tax positions, nor any accrued penalties or interest associated with income tax uncertainties. The Company is subject to income taxation at the federal and state levels. The Company is subject to US federal tax examinations for the tax years 2011 through 2019. Loss carryforwards generated or utilized in years earlier than 2010 are also subject to examination and adjustment. The Company has no income tax examinations in process.

**Note 11. Summary of Quarterly Financial Data (Unaudited)**

The following table sets forth a summary of the unaudited quarterly results of operations for the years ended June 30, 2019 and 2018:

<b>2019</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Revenue	\$ 104,521	\$ 79,269	\$ 212,746	\$ 3,852
Net loss before other items	1,063,362	1,443,055	1,178,809	2,302,518
Net loss	1,058,893	1,430,323	1,173,413	2,307,419
Net loss per Common Share				
Basic	\$ 0.04	\$ 0.06	\$ 0.04	\$ 0.09
Diluted	\$ 0.04	\$ 0.06	\$ 0.04	\$ 0.09
<b>2018</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Revenue	\$ 85,548	\$ —	\$ 22,260	\$ 236,824
Net loss before other items	1,084,587	1,821,217	1,665,511	1,513,405
Net loss (income)	1,082,719	1,818,890	1,658,748	1,507,797
Net loss (income) per Common Share				
Basic	\$ 0.06	\$ 0.08	\$ 0.07	\$ 0.07
Diluted	\$ 0.06	\$ 0.08	\$ 0.07	\$ 0.07

**Note 12. Commitments and Contingencies:*****Lease Commitments***

The Company has office premises leases that expire at various dates until June 30, 2021. The aggregate minimum rentals payable for these operating leases are as follows:

<u>Year</u>	<u>Total Amount</u>
2020	\$ 10,364
2021	\$ 10,575

During the year ended June 30, 2019, \$56,095 was recognized as rent expense in the consolidated statements of operations and comprehensive loss.

### ***Other Commitments***

During the year ended June 30, 2019, Paramount entered into an agreement to acquire 44 mining claims (“Cryla Claims”) covering 589 acres located immediately to the west of the proposed Grassy Mountain site from Cryla LLC. Paramount will make annual lease payments of \$40,000 per year the first two years of the lease term and \$60,000 per year thereafter with an option to purchase the Cryla Claims for \$560,000 at any time. The term of the agreement is 25 years. In the event Paramount exercises its option to acquire the Cryla Claims, all annual payments shall be credited against a production royalty that will be based a prevailing price of the metals produced from the Cryla Claims. The royalty rate ranges between 2% and 4% based on the daily price of gold. The agreement with Cryla can be terminated by Paramount at any time. Paramount made the annual lease payment of \$40,000 as required by the agreement during the year ended June 30, 2019. The Cryla Claims are without known mineral reserves and there is no current exploratory work being performed.

During the year ended June 30, 2019, Paramount entered into an agreement with Nevada Select Royalty (“Nevada Select”) to purchase 100% in the Frost Project, which consists of 40 mining claims located approximately 12 miles west of its Grassy Mountain Project. A total consideration of \$250,000 payable to Nevada Select will be based on certain events over time. Upon signing the agreement, Paramount made a payment of \$10,000 to Nevada Select. Nevada Select will retain a 2% NSR on the Frost Claims and Paramount has the right to reduce the NSR to 1% for a payment of \$1 million. The Frost Claims are without known mineral reserves.

### **Note 13. Subsequent Events**

Subsequent to June 30, 2019, the Company issued 1,096,791 shares at \$0.78 to Ausenco in exchange for services to complete a feasibility study at its Grassy Mountain Project. The shares will be held in escrow until Ausenco delivers a feasibility study to the Company.

Subsequent to June 30, 2019, the Company entered into definitive agreements with accredited investors to issue convertible notes in a private transaction (the “Transaction”). Under the terms of the Transaction, Paramount has agreed to sell an aggregate of 5,478 notes at \$975 per \$1000 face amount with a four year maturity for aggregate proceeds of \$5.34 million. Each convertible note will bear interest rate of 7.5% per annum, payable semi-annually. The principle amount of the convertible notes will be convertible at a price of \$1.00 per share of Paramount common stock.

