

PARAMOUNT GOLD NEVADA ANNOUNCES POSITIVE PFS FOR ITS PROPOSED UNDERGROUND MINE AT GRASSY MOUNTAIN IN EASTERN OREGON

Total cash operating costs of \$528 per ounce of gold produced (after silver credits)
Annual average production of 47,000 ounces of gold and 50,000 ounces of silver for 7.25 years
After tax IRR of 28%

Winnemucca, Nevada – May 24, 2018 - Paramount Gold Nevada Corp. (NYSE American: PZG) ("Paramount") announced today the results of an independent NI 43-101 compliant Pre-Feasibility Study ("PFS") for its 100% owned Grassy Mountain Gold Project in Eastern Oregon. The PFS confirms robust economics for a proposed underground mining operation at the current gold price.

The base case projects an after tax Internal Rate of Return ("IRR") of 28% at \$1,300 gold and the estimated Net Present Value ("NPV") exceeds \$87 million at a 5% discount rate. The PFS also provides an updated resource estimate and the project's first statement of proven and probable reserves.

The PFS was prepared by industry-leading independent consultants as noted [below](#). The full PFS report will be posted to www.SEDAR.com and www.paramountnevada.com within 45 days.

Glen Van Treek, Paramount's President and CEO, stated that "the PFS clearly shows that Grassy Mountain is a mine worth building. The results demonstrate a low-cost operation that would deliver exceptional cash-flows over its mine life at the current gold price. The scale and simplicity of the proposed operation is one that we are very confident Paramount can build and manage. The PFS also identifies significant opportunities for improving project economics and finding more ore to extend mine life."

"The PFS is an important piece in the permit approval process. This process is well advanced and has been marked by a transparent regulatory environment and a receptive, positive response from the Oregon state government. Having proved the basic concept of a profitable underground mine at Grassy Mountain, we will now work on optimizing the PFS and expanding our resource base with targeted exploration," said Van Treek.

Highlights of the PFS are as follows:

- Measured plus indicated resource containing 1.06 million ounces of Au at 0.034 opt (1.17 g/T¹) plus 3.3 million ounces of Ag at 0.107 opt (3.67 g/T);
- Proven and Probable Reserves² containing 362,000 ounces of Au at 0.21 opt (7.20 g/T) plus 516,000 ounces of Ag at 0.30 opt (10.3 g/T);
- Average mill head grade of 0.206 opt of Au (7.06 g/T) and 0.29 opt of Ag (9.94 g/T);
- Cash operating costs of \$528 per ounce gold³;
- Total costs of \$853 per ounce gold³ produced including all capital
- Total operating cash-flows of \$254 million;
- After tax IRR of 27.6% and NPV_(5%) of \$87.8 Million at the base case metal prices⁴;
- Annual production of approximately 47,000 ounces of gold and 50,000 ounces of silver for 7.25 years;
- Initial infrastructure capital expenditures of \$69.9 million for a 750 ton per day mine and milling operation;
- Total initial capital costs of \$110 million including \$12.2 million in mine development and pre-production costs, \$13.6 million in owners and working capital and \$14.2 million in contingencies; and
- Pay back of 2.5 years from the start of production.

¹ T (tonnes) = metric tonnes; t (ton) = short tons

² Resources are inclusive of reserves

³ After silver credits

⁴ Base case metal prices of \$1,300/oz of Au and \$16.75/oz of Ag

The PFS commenced in late 2016 with an aggressive drilling campaign to bring resource, metallurgy and geotechnical knowledge to a pre-feasibility level. With its completion, Paramount will now focus on the submission of the Consolidated Mining Permit Application with the Oregon Department of Geology and Mineral Industries ("DOGAMI") and to provide the remaining information required by the Bureau of Land Management ("BLM") to continue with the federal Environmental Impact Statement ("EIS") in accordance with the Plan of Operation ("POO") filed by Paramount in [September 2017](#).

"With the completion of the PFS, we will continue working with the State of Oregon and the Bureau of Land Management on all permitting activities with the expectation of submitting our Consolidated Permit Application by the fourth quarter" Mr. Van Treek added.

The PFS was completed by a group of industry leading consulting firms led by: Mine Development Associates ("MDA"), who was responsible for the overall study, updating the mineral resource estimate, and completing the economic evaluation; Golder Associates ("Golder"), who was responsible for the geotechnical recommendations and tailing storage design; and Ausenco, who was responsible for the processing and infrastructure design and overseeing metallurgical testing. In addition, Ausenco conducted a supplemental geotechnical review and analysis, and prepared the underground mine design and the final mineral reserves estimate. EM Strategies were responsible for all the environmental aspects of the PFS and will continue to coordinate both the federal and state permitting processes.

Mineral Resources

Mineralized material is reported under the Canadian Institute of Mining ("CIM") standards for reporting mineralized material. Grassy Mountain's "in-pit mineralization" was estimated using the Lerch-Grossman algorithm to define all potentially economic mineralization that could be mined from surface in an open pit configuration. The primary parameters entered by MDA for the in-pit constrained resources, which comprise more than 99% of the total mineral resources, include \$1,500/oz of gold and \$20/oz silver (typical of industry resource reporting), a 5,000 tonne per day processing rate using a \$2.00 per tonne mining cost, \$13 per tonne processing cost, and average gold and silver recovery of 80% and 60% respectively. Processing is assumed to consist of crushing, milling and first stage gravity separation followed by Carbon in Leach ("CIL") recovery resulting in the production of a DORE bar on site. In-pit and underground mineral resources are tabulated below as follows:

MINERAL RESOURCES

Class	Tons ^I (millions)	Au (opt)	Au (ozs)	Ag (opt)	Ag (ozs)
Measured	17.93	0.020	363,000	0.079	1,409,000
Indicated	12.88	0.054	695,000	0.146	1,882,000
Measured + Indicated*	30.82	0.034	1,057,000	0.107	3,291,000
Inferred	1.06	0.040	42,000	0.119	125,000

^I in imperial tons

*Grassy Mountain mineral resources are inclusive of the mineral reserves.

MINERAL RESSOURCES

Class	Tonnes ^{II} (millions)	Au (g/T)	Au (ozs)	Ag (g/T)	Ag (ozs)
Measured	16.27	0.69	363,000	2.71	1,409,000
Indicated	11.69	1.85	695,000	5.01	1,882,000
Measured + Indicated*	27.96	1.17	1,057,000	3.67	3,291,000
Inferred	0.96	1.37	42,000	4.08	125,000

^{II} in metric tonnes

*Grassy Mountain mineral resources are inclusive of the mineral reserves.

Mineral Reserves

Proven and Probable Mineral Reserves are reported using a CIM standard and were based on all defined parameters in the PFS using Measured and Indicated Resources. Reserves are estimated for an underground mining operation with defined portal access and decline development to access the

mineralized material. Initial economic material was defined using an underground stope size of 13 ft. high by 20 ft. wide and 20 ft. long and a cut-off grade of 0.103 opt Au (3.53 g/T Au) was also initially estimated using the following parameters:

Cost Item	Value	Units
UG Mining Costs	\$ 80.00	\$/ton Processed
Surface Re-handle	\$ 0.16	\$/ton Processed
Process Costs	\$ 30.00	\$/ton Processed
G&A Costs	\$ 11.11	\$/ton Processed
Total Operating Costs	\$ 121.27	\$/ton Processed
Refining Cost	5.00	\$/oz Au Recovered
NSR Royalty	1.50%	
Gold Recovery	94.50%	
Gold Price	\$ 1,275	\$/oz of Au

Reserves are reported using Measured and Indicated resources inside the defined mining stopes, including 5% of ore lost and approximately 7% external dilution from Measured and Indicated resources.

MINERAL RESERVES

Class	Tons ^a (millions)	Au (opt)	Au (ozs)	Ag (opt)	Ag (ozs)
Proven	0.23	0.191	43,000	0.27	62,000
Probable	1.49	0.214	319,000	0.30	454,000
Proven & Probable	1.72	0.210	362,000	0.30	516,000

^a in imperial tons

MINERAL RESERVES

Class	Tonnes ^b (millions)	Au (g/T)	Au (ozs)	Ag (g/T)	Ag (ozs)
Proven	0.21	6.55	43,000	9.26	62,000
Probable	1.35	7.34	319,000	10.29	454,000
Proven & Probable	1.56	7.23	362,000	10.29	516,000

^b in metric tonnes

Mine Plan and Production

The mine plan was developed using a drift and fill up-raising mining methodology. A cut-off grade of 0.103 opt of Au (~3.53 g/T of Au) was used to define economic stopes. Ore processing from the upper portion of the mine is expected to commence concurrently with the completion of the processing plant and infrastructure. The construction of the decline will continue to the bottom of the mine for an additional 10-month period. Following ramp up, the mine is expected to produce an average of 1,300 to 1,400 tonnes per day, 4 days a week, which will provide enough material for the 750 ton per day mill and processing plant to operate at full capacity for 7 days a week.

Stope size and support were defined by Ausenco's geotechnical group using geotechnical work and consideration provided by Golder coupled with additional geotechnical and stopes stability analysis conducted by Ausenco. Depending on the rock quality, the support and reinforcement will include bolts, steel nets and shotcrete. Mine methodology is based on primary drifts intercalated with secondary drifts. Primary drifts once mined will be back filled with cemented rock fill ("CRF"), and once the fill is cured the adjacent secondary drift can be mined and later filled with run-of-mine waste from a surface borrow source. Approximately 46% of the tons are coming from primary drifts and 54% from the secondary ones. The mine plan includes 5% of ore lost and approximately 9% dilution. The dilution consisted of 7% external dilution from Measured and Indicated resources and approximately 2% dilution with no grade from the CRF.

Summarized mine plan

Mine plan	Total	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Yr-6	Yr-7	Yr-8
Tons (000's)	1,759	217	274	274	275	274	274	154	18
Au (opt)	0.206	0.201	0.266	0.205	0.184	0.196	0.215	0.139	0.241
Au (000's of ozs)	362	44	73	56	51	54	59	21	4
Ag (opt)	0.293	0.25	0.28	0.29	0.26	0.29	0.34	0.34	0.28
Ag(000's of ozs)	517	55	77	79	73	81	94	53	5
Au recovery	94.2%	94.1%	95.2%	94.2%	93.7%	94.0%	94.4%	92.3%	94.8%
Au recovered (000's of ozs)	340	41	69	53	47	50	56	20	4
Ag Recovery	70.1%	66.2%	68.9%	69.6%	67.5%	70.2%	73.8%	73.9%	69.0%
Ag recovered (000's of ozs)	362	36	53	55	49	57	69	39	4

Metallurgy and Process

Ausenco's metallurgists and process design engineers evaluated and reviewed extensively the previously completed metallurgical testing. They concluded that the best and most effective process was a first stage of gravity concentration of ground material and a subsequent leaching circuit of the gravity tails in a carbon in leach (CIL) circuit. Analysis of additional material collected during the 2016-2017 drilling campaign was used to define recoveries. Analysis shows that recovery is primarily and best correlated with grade. Ausenco provided a recovery relationship between grade and recovery and this relationship was incorporated into the mine plan on a monthly basis to provide the most accurate representation of the recovered gold. Additionally, Ausenco defined maximum and minimum gold recoveries whereby this relationship can be used as the most accurate for the Grassy Mountain design process flowsheet. Overall recovery for the life of mine is estimated to average 94.2 % for gold and 70.1 % for silver.

Total operating costs were estimated at \$27.55 per ton of ore processed for a gravity concentration followed by a CIL and ADR plant.

Item	Total Costs (000's of \$/year)	Total Costs (%)	Mill Feed (\$/t)
Fixed Costs			
Labor	3,315	44%	12.11
General Maintenance	459	6%	1.68
Sub-total (Fixed Costs)	3,774	50%	13.79
Variable Costs			
Power	1,487	20%	5.43
Reagents & Operating Consumables	1,800	24%	6.58
Maintenance Consumables	479	6%	1.75
Sub-total (Variable Costs)	3,767	50%	13.76
TOTAL	7,541	100%	27.55

Note: Rounding may cause apparent discrepancies.

Capital Costs

Grassy Mountain is located on both private and federal land with no services. The Grassy Mountain Project will require an upgrade of the access road to be suitable for additional traffic. Electricity will be provided by Idaho Power, from the Hope substation in Malheur County, through the construction of a power line that will bring power to site, increasing efficiency while being environmentally conscious as compared to the alternative of an on-site diesel generator. Tailings disposal during the life of mine will be constructed in

two stages, however a total of four stages have been designed in order to accommodate potential mine life expansion whereby additional ore will be processed. The processing plant will consist of a crushing facility, gravity separation, CIL processing of the gravity tails, resulting in a mill processing capacity of 750 tons per day. Capital costs were estimated using all new equipment. Substantial savings in capital could be achieved by sourcing used equipment which is plentiful in the western U.S.

The primary capital costs are highlighted in the following table:

	Initial (000's of \$US)	Sustaining (000's of \$US)	TOTAL (000's of \$US)
Mining Capital	2,928	1,399	4,328
Buildings & Site Infrastructure	12,787	-	12,787
Process Capital	25,935	-	25,935
Tailings Storage Facility	8,215	5,026	13,241
Plant & Infrastructure Indirect	9,691	-	9,691
Off-Site Power and Access	10,328	-	10,328
Subtotal Infrastructure & Equipment	69,885	6,426	76,311
Mine Development	7,640	1,799	9,439
Mine Pre-Production	4,598	-	4,598
Subtotal Mine Pre-Production	12,238	1,799	14,037
Owner's Capital	7,005	(4,142)	2,863
Other Capital	2,092	166	2,259
Working Capital	4,543	(4,543)	-
Subtotal Other Capital	13,640	(8,518)	5,122
Subtotal	95,763	(294)	95,470
Contingency	14,195	1,282	15,477
Total Capital	109,959	988	110,947

Note: Negative owner's capital is due to assumption that bonding uses a surety bond and that the 2/3rds of the bond amount paid at the start of the project can be released after 3 years of mining. Negative working capital is due to the return of initial working capital once the operating cash-flow becomes positive.

Operating Costs

Total cash operating costs per ounce of gold produced are estimated at \$528.12 (after silver credits). Cost per ton processed over the life of mine are estimated at \$105.63 per ton of ore. Details of all operating costs are outlined below:

	Life-of-Mine Cost (000's of \$US)	Cost/ton Processed (\$US)	Cost per Oz Au * (\$US)
Mining	114,969	65.37	326.81
Processing	49,332	28.05	140.23
G&A	15,275	8.68	43.42
Reclamation	6,213	3.53	17.66
Total	185,789	105.63	528.12

*Assumes silver credit

Economic Analysis

A base case for the economic analysis was performed at gold and silver prices of \$1,300 and \$16.75 per ounce respectively. The base case scenario provides a post-tax IRR of 28% and a NPV (5%) of \$88 million.

	Base Case	Upside Case	Lower Case
Gold Price (\$/oz)	1,300	1,500	1,200
Silver Price (\$/oz)	16.75	19.33	15.46
Cash Operating Cost Per Au Ounce ¹	\$ 528	\$ 528	\$ 528
Total Cost Per Ounce Au (includes all capital) ¹	\$ 853	\$ 853	\$ 853
Internal Rate of Return	27.6 %	37.8 %	22.1 %
Net Present Value (5%) (000's of USD's)	\$ 87,754	\$ 133,243	\$ 64,871
Net Present Value (8%) (000's of USD's)	\$ 70,621	\$ 112,050	\$ 49,714
Net Present Value (10%) (000's of USD's)	\$ 60,455	\$ 99,499	\$ 40,714
Payback from start of production (years)	2.51	1.97	2.91

¹ After silver credits

Methods and Parameters Relevant to the Resource Estimation

The gold and silver mineral resources at Grassy Mountain were modeled and estimated by:

- evaluating the drill data statistically;
- separately interpreting gold and silver mineral domains on a set of 070°-looking cross sections spaced at 50-foot intervals;
- rectifying the cross-sectional mineral-domain interpretations on level plans spaced at 10-foot vertical intervals and using these plans to code a block model;
- analyzing the modeled mineralization spatially and statistically to aid in the establishment of estimation and classification parameters; and
- interpolating grades into the block model using the coding of the level-plan gold and silver mineral domains to constrain the estimation.

Resources with a reasonable expectation of potential extraction by open-pit methods are constrained to lie within an optimized pit. Additional parameters used in the optimization to those provided above include a general administrative (G&A) cost of \$2.22 per ton processed and a refining cost of \$5.00 per ounce produced. The in-pit resources were then tabulated by the application of a gold-equivalent cut-off of 0.012 opt. The gold-equivalent grades were determined as follows: gold grade + (silver grade ÷ 100).

The effective date of the mineral resources and mineral reserves are May 1, 2018.

NI 43-101 Disclosure

The metallurgical analysis and process design were completed and reviewed by Tommaso Roberto Raponi of Ausenco, a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

The development of the process plant capital and operating cost estimates were supervised and reviewed by David Baldwin of Ausenco, a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

The mineral reserve calculation was supervised and reviewed by Boris Caro for Ausenco, a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

The mineral resource calculations were completed and reviewed by Michael Gustin of MDA, a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

The financial modelling was completed and reviewed by Thomas Dyer, P.E. of MDA, a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

The environmental assessment was completed and reviewed by Richard DeLong of EM Strategies Inc., a Qualified Person (as defined under National Instrument 43-101) and is independent of Paramount Gold Nevada Corp.

All the above-named Qualified Persons have reviewed and approved this news release.

Paramount will file the completed NI 43-101 PFS Technical Report on SEDAR (www.sedar.com) within 45 days of this press release.

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About Paramount Gold Nevada Corp.

Paramount Gold Nevada is a U.S. based precious metals exploration and development company. Paramount's strategy is to create shareholder value through exploring and developing its mineral properties and to realize this value for its shareholders in three ways: by selling its assets to established producers; entering into joint ventures with producers for construction and operation; or constructing and operating mines for its own account.

Paramount owns 100% of the Grassy Mountain Gold Project which consists of approximately 9,300 acres located on private and BLM land in Malheur County, Oregon. The Grassy Mountain project contains a gold-silver deposit (100% located on private land) for which the PFS and an earlier Preliminary Economic Assessment ("PEA") have been prepared and key permitting milestones accomplished. For the PEA, click [here](#). Please refer to the PEA for a further discussion of environmental considerations that relate to the potential development of the mineral resources and mineral reserves. Additionally, Paramount owns a 100% interest in the Sleeper Gold Project located in Northern Nevada. The Sleeper Gold Project, which includes the former producing Sleeper mine, totals 2,322 unpatented mining claims (approximately 60 square miles or 15,500 hectares).

About Ausenco

Ausenco is a global diversified engineering, construction and project management company providing consulting, project delivery and asset management solutions to the resources, energy and infrastructure sectors. Ausenco's experience in gold and silver projects ranges from conceptual, pre-feasibility and feasibility studies for new project developments to project execution with EPCM and EPC delivery. Ausenco is currently engaged on a number of global projects with similar characteristics and opportunities to the Grassy Mountain Gold Project.

Cautionary Note to U.S. Investors Concerning Estimates of Indicated, Inferred Resources and Reserves

This news release uses the terms "measured and indicated resources", "inferred resources" and "proven and probable reserves". We advise U.S. investors that while these terms are defined in, and permitted by, Canadian regulations, these terms are not defined terms under SEC Industry Guide 7 and not normally permitted to be used in reports and registration statements filed with the SEC. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility studies, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves", as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in this category will ever be converted into reserves. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally minable. Under SEC Industry Guide 7 standards, a "final" or

"bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

Safe Harbor for Forward-Looking Statements

This release and related documents may include "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") pursuant to applicable United States and Canadian securities laws. Paramount's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Words such as "believes," "plans," "anticipates," "expects," "estimates" and similar expressions are intended to identify forward-looking statements, although these words may not be present in all forward-looking statements. Forward-looking statements included in this news release include, without limitation, statements with respect to: production estimates and assumptions, including production rate and grade per tonne; revenue, cash flow and cost estimates and assumptions; statements with respect to future events or future performance; anticipated exploration, development, permitting and other activities on the Grassy Mountain project; the economics of the Grassy Mountain project, including the potential for improving project economics and finding more ore to extend mine life; and mineral reserve and mineral resource estimates. Forward-looking statements are based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable. Assumptions have been made regarding, among other things: the conclusions made in the PFS; the quantity and grade of resources included in resource estimates; the accuracy and achievability of projections included in the PFS; Paramount's ability to carry on exploration and development activities, including construction; the timely receipt of required approvals and permits; the price of silver, gold and other metals; prices for key mining supplies, including labor costs and consumables, remaining consistent with current expectations; work meeting expectations and being consistent with estimates and plant, equipment and processes operating as anticipated. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: uncertainties involving interpretation of drilling results; environmental matters; the ability to obtain required permitting; equipment breakdown or disruptions; additional financing requirements; the completion of a definitive feasibility study for the Grassy Mountain project; discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs and between estimated and actual production; and the other factors described in Paramount's disclosures as filed with the SEC and the Ontario, British Columbia and Alberta Securities Commissions.

Except as required by applicable law, Paramount disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

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