

The acquisition provides Paramount with an additional 1.7 million ounces of contained gold within measured and indicated mineralized material, located on private land in the US

WINNEMUCCA, NEVADA--(Marketwired - Mar 14, 2016) - [Paramount Gold Nevada Corp.](#) ("Paramount" or the "Company") (NYSE MKT:PZG) and [Calico Resources Corp.](#) ("Calico") (TSX VENTURE:CKB) have entered into a definitive arrangement agreement dated as of March 14, 2016 (the "Arrangement Agreement") pursuant to which Paramount will acquire all of the issued and outstanding common shares of Calico (the "Transaction") by way of a plan of arrangement (the "Plan of Arrangement"). Pursuant to the Plan of Arrangement, Paramount will acquire each common share of Calico from Calico's shareholders in exchange for 0.07 of a share of Paramount common stock (the "Exchange Ratio"). The Transaction implies a value of USD\$0.085 per Calico common share based on the closing prices of each company's common shares on March 11, 2016. Based on the volume-weighted average price ("20 day VWAP") of each of the companies on the 20 prior trading days ending on March 11, 2016, the Exchange Ratio represents a premium of approximately 46.5% to Calico's 20 day VWAP share price.

Upon completion of the Transaction, Paramount is expected to issue approximately 7,171,209 shares of its common stock to Calico shareholders, with Paramount stockholders to hold approximately 54% of the pro forma entity's common stock, and Calico shareholders to hold the remaining 46%. Paramount stockholder will hold 57% of the pro forma entity's common stock on a fully-diluted basis, and Calico shareholders to hold the remaining 43%. All outstanding options and warrants of Calico not exercised prior to the completion of the Transaction will be cancelled in accordance with the terms of the Plan of Arrangement.

Calico holds a 100% interest in the Grassy Mountain Gold Project which consists of approximately 9,300 acres located on private land in Malheur County, Oregon. The Grassy Mountain project contains a gold-silver deposit for which a Preliminary Economic Assessment ("PEA") has been prepared and key permitting milestones accomplished.

Glen Van Treek, Paramount's President and CEO, said: "Grassy Mountain is an impressive, advanced stage project with a high grade core averaging 5.32 g/T gold that could be extracted at a very low cash cost per ounce. We believe that advancing the project to prefeasibility will add significant value to our shareholders. This acquisition is consistent with Paramount's strategy of acquiring mineral properties with known deposits in safe jurisdictions and advancing them towards production."

Key investment highlights of the Transaction:

- The addition of the Grassy Mountain project would increase the Company's global measured mineralized material by 61% to 4 million contained gold ounces and its global indicated mineralized material by 14.4% to 1.1 million contained gold ounces.
 - Comparing the measured plus indicated mineralized materials included in the PEA mine plans for both Sleeper and Grassy, this acquisition doubles the Company's contained gold ounces;
- The Grassy Mountain PEA base case scenario contemplates the following:
 - 10 year underground mining operation averaging annual production of 53,000 ounces of Au and 82,000 ounces of Ag;
 - The higher grade underground material which averages 5.32g/T (0.155 opt) Gold is a significant factor behind the low projected cash operating cost per ounce in the PEA;
 - Life of mine (LOM) cash operating costs of US\$578 per ounce of gold equivalent;
 - An estimated Pre-Tax NPV of US\$144.2 Million at a 5% discount rate;
 - A pre-tax IRR of 32.6% assuming \$1,300/oz Au and \$17.50/oz Ag.
- Grassy Mountain is host to near surface mineralized material which presents additional open pit mining throughput opportunities not included in the PEA's mine plan;
- Baseline data studies submitted to DOGAMI (Oregon Department of Geology and Mineral Industries) are complete and may be used to support both the consolidated application for a mining permit, and environmental evaluation.

Grassy Mountain Mineral Inventory (1,2,3,4,5)

MEASURED

	tons (000s)	Au opt	Au g/T	Ounces Au (000s)	Ag opt	Ag g/T	Ounces Ag (000s)
Underground	3,157	0.155	5.33	491	0.263	9.0	829
Open Pit	52,645	0.020	0.67	1,027	0.072	2.5	3,784
Total	55,802	0.027	0.93	1,518	0.083	2.8	4,613

INDICATED

	tons (000s)	Au opt	Au g/T	Ounces Au (000s)	Ag opt	Ag g/T	Ounces Ag (000s)
Underground	88	0.149	5.13	13	0.163	5.6	14
Open Pit	12,803	0.010	0.33	122	0.027	0.9	350
Total	12,891	0.010	0.36	135	0.028	1.0	364

MEASURED PLUS INDICATED

	tons (000s)	Au opt	Au g/T	Ounces Au (000s)	Ag opt	Ag g/T	Ounces Ag (000s)
Underground	3,246	0.155	5.32	504	0.260	8.9	843

Open Pit	65,447	0.018	0.60	1,149	0.063	2.2	4,133
Total	68,693	0.024	0.82	1,653	0.072	2.5	4,977

INFERRED

	tons (000s)	Au opt	Au g/T	Ounces Au (000s)	Ag opt	Ag g/T	Ounces Ag (000s)
Underground -	-	-	-	-	-	-	-
Open Pit	221	0.007	0.24	2	0.010	0.3	2
Total	221	0.007	0.23	2	0.010	0.3	2

(1) Rounding may cause apparent discrepancies (2) Underground and Open Pit material are exclusive from each other (3) tons= imperial tonnes; T= metric Tonnes (4) Underground Cut-off grade = 0.065 opt Au (5) Open pit Cut-off grade = 0.005 opt Au

For further information regarding the Grassy Mountain Gold Project, please refer to Calico's technical report titled "Amended Preliminary Economic Assessment - [Calico Resources Corp.](#) Grassy Mountain Project, Malheur County, Oregon, USA" dated July 9, 2015 (with an effective date of January 13, 2015) prepared by Metal Mining Consultants Inc. and filed under Calico's SEDAR profile (the "Technical Report").

The Grassy Mountain PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. To the best of Paramount's knowledge, information and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources or results of the PEA inaccurate or misleading.

Advisors

Cantor Fitzgerald & Co. is serving as financial advisor to Paramount on this transaction, and LeClairRyan, A Professional Corporation and Gowling WLG (Canada) LLP are serving as Paramount's U.S. and Canadian legal advisors respectively. In connection with the Transaction, Paramount's Board of Directors formed a Special Committee comprised of the independent, uninterested directors to evaluate the Transaction. The Special Committee has also retained ROTH Capital Partners, LLC to provide a fairness opinion in respect of the Transaction. Additionally, the Special Committee engaged Brownstein Hyatt Farber Schreck, LLP to serve as its independent legal advisor.

Transaction Summary

The Transaction is to be completed by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) that will require the approval of at least two-thirds of the votes cast by the shareholders of Calico at a special meeting of shareholders expected to be held in the second quarter of 2016 (the "Calico Meeting"). FCMI Financial and [Seabridge Gold Inc.](#), the two largest shareholders of Calico, along with all of Calico's directors and officers, which hold in aggregate approximately 37.8% of the outstanding common shares of Calico, have entered into support agreements and agreed to vote their common shares at the Calico Meeting in favor of the Transaction. The directors of Calico have unanimously voted in favor of the Transaction and recommend to its shareholders to vote in favor of the Transaction. The issuance of Paramount shares in connection with this Transaction is subject to receipt of approval of the stockholders of Paramount by way of an ordinary resolution at a special meeting of Paramount stockholders expected to be held in the second quarter of 2016. It is anticipated that the Transaction will close in the second quarter of 2016 and is subject to Court and stock exchange approvals and the satisfaction of other closing conditions customary for transactions of this nature.

ROTH Capital Partners, LLC has provided an opinion to Paramount's Special Committee that the consideration to be paid by Paramount in connection with the Transaction is fair, from a financial point of view, to Paramount and its stockholders. On this basis, the Special Committee of independent directors has unanimously recommended the execution of the Arrangement Agreement to the Board. Paramount's Board of Directors, having taken into account the recommendation of the Special Committee has unanimously voted in favor of the Transaction and have determined that the Transaction is in the best interest of the Company and its stockholders,. Paramount's Board of Directors recommends that its stockholders vote in favor of the Transaction.

The Arrangement Agreement includes customary provisions, including non-solicitation of alternative transactions, a 5-day right to match superior proposals and fiduciary-out provisions. In addition, either Calico or Paramount may be required to pay a termination fee of US\$300,000 if either of them terminates the Arrangement Agreement in certain specified circumstances.

In connection with the transaction, Paramount will provide to Calico interim debt financing of up to US\$800,000 secured by all of Calico's assets including the mineral rights and leases to Grassy Mountain.

Qualified Person

The technical and scientific information contained in this news release have been reviewed and approved by Scott Wilson, CPG, of Metal Mining Consultants, a "qualified person" as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Wilson is independent of Paramount and has verified the data within this release.

About Paramount

Paramount Gold Nevada is a U.S. based precious metals exploration company. Paramount owns 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). Paramount's strategy is to create shareholder value through the exploration and development of its mineral properties and then selling to, or entering into joint ventures with, producers for construction and operation.

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

This news release uses the terms "measured and indicated resources" and "inferred resources". 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.

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, including, but not limited to, statements related to anticipated benefits of the Transaction to Paramount and Calico and their respective shareholders; the pro forma shareholdings of the shareholders of Paramount and Calico; pro forma mineralization of Paramount; the timing and receipt of required shareholder, court, stock exchange and regulatory approvals for the Transaction; the ability of Paramount and Calico to satisfy the other conditions to, and to complete, the Transaction; the closing of the Transaction; and statements related to the resulting entity following completion of the Transaction. 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: obtaining shareholder, regulatory and court approvals, and the timing therefor; Paramount's ability to carry on exploration and development activities, including construction; the timely receipt of required approvals; the price of silver, gold and other metals; prices for key mining supplies, including labor costs and consumables, remaining consistent with current expectations; production meeting expectations and being consistent with estimates and plant, equipment and processes operating as anticipated. 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 should also be considered to be forward-looking statements. 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, lack of ability to obtain required permitting, equipment breakdown or disruptions, and the other factors described in Paramount's disclosures as filed with the SEC and the Ontario Securities Commission.

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.

Contact

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