

Wells to collect data required for mine permitting process

WINNEMUCCA, NEVADA--(Marketwired - Jan. 23, 2017) - [Paramount Gold Nevada Corp.](#) (NYSE MKT:PZG) ("Paramount") announced today that the Technical Review Team ("TRT") of the Oregon Department of Geology and Mineral Industries ("DOGAMI") has approved installation of deep monitoring wells at its 100%-owned Grassy Mountain Gold Project. Drilling will begin shortly. Water quality monitoring data is required as part of the process of preparing a Consolidated Permit Application for construction and operation of a proposed underground mine. Paramount expects to initiate the Consolidated Permit Application preparation later this year.

Work is also progressing on schedule for completion of a Pre-Feasibility Study ("PFS") for the Grassy Mountain Gold Project before year end. The PFS is a highly detailed analysis of all the key parameters involved in constructing and operating a mine including projected capital and operating costs, production levels and the expected economic return under different scenarios. The PFS will form a central component of the Consolidated Permit Application.

A 29-hole drill program was initiated in November, 2016 as part of the PFS to better define the Grassy Mountain deposit's high grade gold zone and potentially expand its size; acquire material for PFS-level metallurgical testing needed to design the gold recovery process; and obtain geotechnical data on rock stability for underground mine design and mining methodology. Major Drilling is currently operating three rigs on site. The first assay results from this program are expected shortly.

The PFS will only use measured and indicated (M&I) mineralized material as the basis for the mine design and economic analysis. Paramount expects a positive PFS report which would include estimated proven and probable reserves.

Glen Van Treek, Paramount's President and CEO, noted that "completing a PFS this year and concluding the permitting process in 2018/19 are the key to creating additional value for our shareholders in the short term. The PFS represents a major step towards commercial production. It will also enable us to complete the permitting process which continues to move more quickly than anticipated thanks to outstanding co-operation from Oregon State regulators."

In the water-monitoring program, five newly constructed wells and one existing well, will be used to evaluate and model:

- Vertical gradients
- Hydraulic connectivity
- Aquifer static water levels
- Groundwater quality

The construction of these wells will comply with the State of Oregon monitoring well construction by a licensed Monitoring Well Constructor having at minimum five years of experience drilling monitoring wells of greater than 500 feet deep. One well to be constructed on BLM managed lands is awaiting BLM authorization, which is expected shortly. Throughout the process, an on-site geologist will collect and evaluate drill cuttings for geologic interpretation at 5-foot intervals and at each significant change in lithology.

Water quality samples will be collected from all water-producing wells. All quality assurance/quality control sampling will be in accordance with the Final Revised Environmental Baseline Study Work Plans for the Grassy Mountain Project approved by the TRT on March 13, 2013, as amended. Following construction and testing of the new monitoring wells, a report will be prepared describing well construction, test pumping results and water quality results for review and comment by the TRT.

Richard Delong of EM Strategies Inc., Paramount's Environmental and Permitting Coordinator and an Environmental Qualified Person under National Instrument 43-101, has reviewed and approved this release.

About Paramount Gold Nevada Corp.

Paramount Gold Nevada is a U.S. based precious metals exploration company. Paramount has an unusually high ratio of ounces of gold in mineral inventory to shares outstanding, providing its shareholders with exceptional leverage to the gold price. For our mineral inventory, [click here](#).

Paramount holds a 100% working interest in 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 a Preliminary Economic Assessment (PEA) has been prepared and key permitting milestones accomplished. For the PEA, [click here](#). 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).

Paramount's strategy is to create shareholder value through exploring and developing its mineral properties and realizing 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.

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

This news release, and the disclosure to which it refers, use 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. 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 likelihood and timing of completion of a PFS and a Consolidated Permit Application; the quantity and grade of resources included in resource estimates; the accuracy and achievability of projections included in PEAs; 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; work 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.

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