

Disclosure of our conflict of Interest: On June 28, 2010 we rendered a fairness opinion to the board of directors of predecessor Paramount Gold and Silver in the acquisition of X-Cal Resources. We had confidence and familiarity in the project and geology. We had covered Amax Inc. and its affiliate, Amax Gold, during the 1986 to 1996 1.66 mm oz gold and 2.3 mm oz silver historic production of the Sleeper Mine visiting it several times. Paramount Gold and Silver paid us \$60,000 plus receipted travel expense remuneration, which caused a legal blackout for PZG within John Tumazos Very Independent Research, LLC as counsel opines that we are not “independent” after any compensation. After the state of New Jersey Bureau of Securities declared our new investment advisor “John Tumazos Advisory and Compensated Research, LLC” (CRD #157606) effective June 29, 2011, we wrote a JTACR research report concerning Paramount Gold and Silver and now Paramount Gold Nevada.

PARAMOUNT GOLD NEVADA TO BUILD GRASSY MT. IN OREGON FIRST TO APPLY ITS CASH FLOW AFTERWARDS TO BUILD SLEEPER HEAP LEACH

PZG US \$1.46, no rating or financial models

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
FD EPS 6-10-17	\$(0.01)								

no earnings estimates until timings clear

Highlights:

- Paramount Gold Nevada was spun out of the former Paramount Gold and Silver in April 2015 after the predecessor sold its Mexican gold and silver assets surrounding the Palmerejo mine to Coeur Mines for \$166 mm in Coeur stock near trough values.
- Paramount Gold Nevada retained the Sleeper and satellite Nevada exploration properties. Further, on July 7, 2016 it completed the acquisition announced March 14, 2016 of Calico Resources Corp. for 7.171,209 PZG shares or a ratio of 0.07 PZG for each Calico share.
- PZG priorities the underground Grassy Mountain mine in Oregon, and hopes to reinvest those cash flows to build the Sleeper leach project in Nevada.
- We are confident of the geological, engineering and economic analyses underway.
- The challenges are for PZG to run the first modern commercial gold mine in Oregon, a past bastion of environmental fruit cakes, and a high enough gold prices with low enough diesel prices for Sleeper’s open pit leach project to earn good returns.
- Sleeper’s total open pit heap leach resources in all categories are 5.4 mm oz of gold near 0.35 g/t and 45.8 mm oz of silver near 2.8 g/t.
- Grassy Mountain’s total underground resources are 0.5 mm oz at 5.3 g/t gold and 0.84 mm oz silver near 8 g/t.
- Grassy Mountain’s total open pit surface gold resources may not be relevant owing to past harsh permit regimes there, or maybe someday after a successful underground mine they could be re-evaluated. They are 1.15 mm oz gold near 0.6 g/t and 4.1 mm oz of silver near 2 g/t.

- We regard PZG as inexpensive at a \$28 mm in relation to its very large documented gold and silver resources. It is possible that the Grassy Mountain cap ex could be near \$100 mm and the later Sleeper cap ex over \$200 mm both depending on daily ore tonnages, and we do not expect this company to pay dividends for almost a decade while it builds up these two mines.
- We do not “add up” the gold resources of the three separate PZG projects. Instead, we estimate that ½ of the Sleeper gold and virtually all of the Grassy Mountain underground gold will be mineable. We estimate that no more than 1/5th of the Sleeper and ½ of the Grassy Mountain underground silver will be recoverable owing to only 3 of about 3 dozen silver minerals dissolving in cyanide solutions where silver recoveries always are lower than for gold.

GOOD DRILLING RESULTS RECONFIRM EARLIER WORK IN OREGON

PZG undertakes a 29 hole program with one reverse circulation and two core rigs towards a prefeasibility study targeted for early 2018. The PZG press release dated May 17, 2017 reported 20-40 meter intercepts of 2-10 g/t gold plus silver values from 4 reverse circulation holes. The April 3, 2017 press release reported 119 feet or about 35 m of 4.53 g/t Au and 12.9 g/t Ag.

One year ago our “first blush” reaction to the PZG acquisition of Grassy Mountain was unfavorable, and we sold the few PZG shares we had from the 2015 spinoff. We liked Sleeper in Nevada, did not trust the earlier work of the unsuccessful company Atlas Corp., did not trust Oregon permit processes and did not like the concept of financier Albert Friedberg merging his large stakes in PZG and Calico. In the recent bear gold market Robert Kaplan’s Electrum merged NovaCopper in Alaska with Sunward Resources in Colombia, Eric Sprott merged his 13.6%-owned Newmarket Gold in Australia with 6%-owned Kirkland Lake Gold whose board he chaired and Albert Friedberg merged Calico and PZG. We do not like being a “second class public shareholder” or the merging of unrelated projects.

Subsequently the 2017 drill results at Grassy Mountain have been confirmatory or good. We also had discussions with independent geologists who reviewed prior data especially from the NEM campaigns confirming good underground results.

PREFEASIBILITY STUDY DUE EARLY 2018

We expect key findings in the Grassy Mountain next study to be (1) updated resources after 29 more holes, (2) more detailed mapping or layout of mining stopes and zones, (3) testing the 1,000 mtpd scale concept of the preliminary economic assessment, (4) confirm cap ex near \$100 mm and (5) make more detailed cost estimates.

We do not believe the prior 0.5 mm oz measured and indicated resources are large enough necessarily nor the \$880/oz direct mining plus depreciation costs necessarily low enough to attract capital on good terms. The past PEA contemplated a 10 year underground mine for 53,000 oz Au and 82,000 oz Ag annually.

We expect the gold resources to get bigger, the mine life to be longer, the mining rate possibly increased to 1,250 mtpd and the \$880/oz mining plus depreciation costs to fall by at least \$100/oz assuming the measured and indicated resources rise to 0.75 mm oz of gold. It is difficult to define underground reserves solely from drilling, and it is possible that PZG sinks a ramp or tunnel into some zones to test grades, continuity or metallurgy.

GRASSY MOUNTAIN PAST HISTORY

It has been explored by PZG since mid-2016, the former Calico Resources 2011-2015, Seabridge Gold 2000-2011, Tombstone Exploration in 1998-1999, Newmont Mining 1992-1997 after NEM paid US \$30 mm to buy it, Atlas Corp. from 1986-1992 and had been staked or developed by independent geologists Dick Sherry and Skip Yates. Thus, there are six different regimes of drilling data, interpretation and analyses.

Atlas Corp. drilled 193 vertical reverse circulation holes and 10 diamond core holes after a 600' by 1,500' soil sample grid, where 22 reverse circulation holes went to 1,000 feet. NEM took 2,600 soil samples on a tighter 400' by 200' grid, 400 rock chip samples and drilled 30 holes. NEM developed an underground concept, but dropped it as too small. Tombstone drilled 10 holes. Calico drilled 12 holes, and re-interpreted existing work.

In our opinion, Atlas Corp., NEM and PZG have attempted comprehensive work, while the three owners after NEM and before PZG had limited finances and mostly re-interpreted earlier work while drilling a few of their own holes. Calico completed a NI 43-101 compliant preliminary economic assessment (PEA) in 2015, and PZG has a prefeasibility study underway.

The first concepts of Grassy Mountain had been as an open pit heap leaching property under Atlas Corp. However, NEM identified high grade structures to depth, and subsequently the concept of an underground mine at 5 g/t or higher evolved depending on minimum economic cutoff grades, costs and gold prices. The underground project is a superior idea (1) on an environmental basis with an easier path towards permitting and (2) offers better returns from selectively mining higher grades.

OREGON PERMIT CHALLENGES

The Grassy Mountain property lies on federal land run by the Bureau of Land Management within the U.S. Dept. of Interior. Some companies, including FCX or former Phelps Dodge personnel, do not work on BLM ground at all as a matter of policy. We hope BLM personnel view mining more favorably under Trump.

Permit approvals also must be obtained from the Oregon Dept. of Geology and Mineral Industries and Malheur County. Most remarkably, **no mineral industry exists in Oregon** where we are not aware of any commercial gold property in Oregon in the past 50 years. For example, last week we hosted a lifetime placer gold miner at my home for several nights who has run placer dredges in AK, MT, ID, NV, CA AND AZ where WA,

OR, UT and SD are the only conceivable states where that miner has not worked. *We are concerned that the purpose or political sentiment of the OR Dept. of Geology and Mineral Industries is to prevent mines.*

In the mid-1980s Robert Friedland promoted a company called Quartz Mountain Gold, whose lands now are part of Alamos Gold. It and Grassy Mountain are the more notable projects in OR.

NO ECONOMIC OR FINANCIAL MODELS IN THIS REPORT

We have not constructed financial models in this report especially because there is no certainty to permit and financing timing for either project. PZG's plan is to build Grassy Mountain, and then use its cash flow to build Sleeper several years later.

It is possible to build financial models based on the 2015 PEA for Grassy Mountain by the prior owner or the several prior PEAs for Sleeper mine. In addition to mining, the financings are unknown. We do not expect PZG necessarily to issue 25 to 50 mm shares at \$1.50 to fund Grassy Mountain, borrow or sell a revenue royalty, gold stream or offtake agreement.

It is also possible that PZG never builds either mine, and simply sells out again. Perhaps it sells Grassy Mountain for a good sum like it sold San Miguel, and then spins off a third PZG company that contains the same Sleeper heap leach project spun out in 2015. Someday the gold prices and financial markets will be suitable for the Sleeper heap leach grades.

GRASSY MOUNTAIN 2015 PEA

This technical study was done by the seller, Calico Resources. We have no reason to doubt it, and the initial 2017 drilling by PZG confirms good gold values.

Table 1: Grassy Mountain PEA Production and Financial Metrics**Table 1.1 Grassy Mountain Project Highlights**

Highlights: Grassy Mountain Underground PEA	
Note: The reader is cautioned that mineral resources are not mineral Reserves, and as such, do not have demonstrated economic viability.	
Project Economic Element	Underground Production
Resource (Measured and Indicated)	
M&I Resource (tons) @ 0.065 Au cutoff grade	3,245,483
M&I Resource (oz Au/ton)	0.155
M&I Resource (oz Ag/ton)	0.271
M&I Silver : Gold ratio	1:82
Production	
Mine Life (years)	9
Waste to Resource Ratio (waste/resource)	0.5
Tons / day (nominal)	2,076
Gold Recovery (%)	95%
Silver Recovery (%)	84%
Total oz. Recovered (Au)	478,550
Total oz. Recovered (Ag)	740,087
Total oz. Recovered (Au eq.)(1)	483,165
Project Financials	
Estimated Initial Capital (US \$M)	119.7
Estimated Total Capital (US \$M)	144.2
Capital / Recovered Au eq oz (US \$/oz)	302
Estimated Total Cash Cost / Recovered Au Eq Oz (US \$)	880
Cash Cost / Recovered Au eq oz (US \$/oz)	578
Net Present Value (NPV), 5%, Pre-Tax (US \$M)	144.2
Discounted Cash Flow Rate of Return (DCF/ROR)	32.6%
Payback Period (years)	2.7
(1) Au Price = \$1,300/oz; Ag Price = \$17.50/oz	

Source: Page 1 of July 9, 2015 Grassy Mountain PEA

Table 2: Base Case and Upside Financial Metrics**Table 1.2 Projected Grassy Mountain Project Economic Performance (Pre-tax and pre-royalty, US\$)**

Item	Base Case	Upside Case
Gold Price Per Ounce	\$1,300	\$1,500
Silver Price Per Ounce	\$17.50	\$20.00
Pre-Tax Economics		
Net Cash Flow (US \$Millions)	202.9	299.2
NPV @ 5% Discount Rate (US \$Millions)	144.2	221.9
NPV @ 7.5% Discount Rate (US \$Millions)	121.0	191.5
NPV @ 10% Discount Rate (US \$Millions)	101.0	165.2
Internal Rate of Return	32.6%	45.1%
Operating Costs Per Ounce of Gold Equivalent Produced (life of mine)	\$577	\$577
Total Costs Per Ounce of Gold Equivalent Produced (includes all capital)	\$880	\$880
Post-Tax Economics		
Net Cash Flow (US \$Millions)	156.6	223.7
NPV @ 5% Discount Rate (US \$Millions)	107.7	162.4
NPV @ 7.5% Discount Rate (US \$Millions)	88.5	138.3
NPV @ 10% Discount Rate (US \$Millions)	71.8	117.4
Internal Rate of Return	27%	38%
Operating Costs Per Ounce of Gold Equivalent Produced (life of mine)	\$577	\$577
Total Costs Per Ounce of Gold Equivalent Produced (includes all capital)	\$880	\$880

Source: Page 2 of July 9, 2015 Grassy Mountain PEA

Table 3: Grassy Mountain Geostatistics**Table 14.9 Basic Descriptive Statistics for Gold and Silver Assay Composites**

Gold Block Model Assay Statistics						
Lithology	Sample Count	Maximum	Mean	Median	Std. Dev.	Coef. Of Var.
	n	opt	opt	opt	opt	
Tertiary Basalts						
Basalt	484	0.002	0.001	0.001	0.00004	0.03
Debris Flow	12414	0.010	0.002	0.001	0.001	0.54
Basalt Total	12898	0.010	0.002	0.001	0.001	0.55
Grassy Mountain Formation						
Breccia	2330	0.244	0.031	0.008	0.049	1.57
Clay	58163	1.054	0.006	0.005	0.012	2.08
Conglomerate	9807	0.230	0.003	0.002	0.003	1.06
Sandstone	282263	1.936	0.011	0.007	0.029	2.53
Siltstone	444236	1.812	0.010	0.007	0.021	2.05
Sinter	92767	0.255	0.013	0.009	0.016	1.21
Grassy Total	889566	1.936	0.011	0.007	0.023	2.17
Kern Basin Tuff						
Tuff	107914	0.076	0.008	0.006	0.005	0.71
All Lithologies						
Total	1015092	1.936	0.010	0.007	0.022	2.14
Silver Block Model Assay Statistics						
	Sample Count	Maximum	Mean	Median	Std. Dev.	Coef. Of Var.
	n	opt	opt	opt	opt	
Tertiary Basalts						
Basalt	380	0.007	0.006	0.006	0.0004	0.07
Debris Flow	12414	0.014	0.005	0.004	0.001	0.28
Basalt Total	12794	0.014	0.005	0.004	0.001	0.28
Grassy Mountain Formation						
Breccia	2330	0.392	0.073	0.054	0.062	0.85
Clay	57100	3.179	0.018	0.006	0.044	2.44
Conglomerate	9786	0.293	0.006	0.005	0.005	0.76
Sandstone	268754	1.760	0.040	0.028	0.048	1.20
Siltstone	409168	1.860	0.041	0.032	0.045	1.09
Sinter	90671	0.688	0.059	0.042	0.056	0.95
Grassy Total	837809	3.179	0.041	0.030	0.048	1.17
Kern Basin Tuff						
Tuff	96351	0.137	0.034	0.028	0.018	0.52
All Lithologies						
Total	951322	3.179	0.039	0.029	0.045	1.15

Source: Page 100 of July 9, 2015 Grassy Mountain PEA

Table 4: Grassy Mountain Production, Grade, Recovery, and Cost Statistics**Table 16.1 Grassy Mountain Project Scheduled Production**

Description	Units	Value
Mill Process Tons (0.065 Au opt cutoff grade)	ktons	3,245
Gold Grade	oz/t	0.155
Silver Grade	oz/t	0.271
Gold Recovery	%	95%
Silver Recovery	%	84%
Gold Ounces Recovered	koz	479
Silver Ounces Recovered	koz	740

Source: Page 112 of July 9, 2015 Grassy Mountain PEA**Table 16.2 Economic Parameters**

Parameter	Units	Value
Underground mineralized material Mining Cost	USD/ton	39.86
Surface Haulage + Loading Cost	USD/ton	2.17
Underground Waste Mining Cost	USD/ton	17.63
Total Mining Cost	USD/ton	59.66
Processing Cost	USD/ton	17.61
G& A Cost	USD/ton	5.00
Gold Price	USD/ton	1,300
Silver Price	USD/ton	17.50
Mining Loss	%	5
Dilution	%	45
Dilution Gold Grade	opt	0.021
Dilution Silver Grade	opt	0.140
Gold Recovery	%	95
Silver Recovery	%	84
Design Gold Cutoff Grade	opt	0.065

Source: Page 113 of July 9, 2015 Grassy Mountain PEA

SLEEPER DECEMBER 2015 PEA UPDATED PRIOR 2012 YEAR PEA FOR HIGHER CUTOFF GRADE, LOWER CAP EX, LOWER OUTPUT

The economics of the Sleeper mine are highly sensitive to the gold price, the diesel fuel costs that are much lower near \$50/bbl crude oil and the 0.39 g/t gold grade of the 2.49 mm oz measured resources. Any gold price rebound with continued cheap oil, where the USA now exports 1 mm bbl/day, benefits Sleeper and vice versa.

Table 5: Sleeper PEA Introduction

1 SUMMARY**1.1 INTRODUCTION**

The Sleeper Project represents an opportunity as a mine that might be put back in to operation in the current gold price environment. This report documents a scoping study that looked at Sleeper with the potential to operate in an environment of low gold prices. In this view of the project, MMC chose to define a pit constrained resource that assumed a \$650 selling price. Though the economic analysis is performed at \$1,250 Au and \$16 Ag selling prices, the scheduled resources from the \$650 pit represent higher value ounces that can support a smartly derived, low capital investment. MMC feels this view of the Sleeper Project is representative for current market conditions.

Results of the PEA are summarized below:

- 30,000 tonnes per day heap leach process facility fed by open pit mining (approximately 11 million tonnes per year throughput with 0.72 strip ratio);
- Mineralized material containing a total 1.02 million ounces of gold and 5.1 million ounces of silver;
- Average annual production of 102,000 ounces of gold and 105,000 ounces of silver for 7 years with additional metal recovered during final leaching of 37,850 ounces of gold and 30,500 ounces of silver;
- Payback period of 3.5 years after the beginning of production based on after tax cash flows;
- Average gold grade for the first three years of 0.47 g/T with 0.41 g/T over the life of mine (LOM);
- Low initial Capital Expenditure of \$175 million and total LOM capital and sustaining costs of \$259 million;
- Projected LOM average cash operating costs are US\$529 per ounce of equivalent gold produced;
- LOM all-in capital, operating and sustaining costs estimated at \$869 per ounce of gold equivalent;
- At a gold and silver price of \$1250 and \$16 per ounce respectively, the Base Case has a \$244 million pre-tax net cash flow, a \$167 million net present value at a 5% discount rate and an internal rate of return of 25%.

Table 6: Sleeper Gold Resources**Table 1.1 Global Measured Resources**

Cutoff Grade (g/t)	Tonnes (000)	Gold Grade (g/t)	Gold (000 of ounces)	Silver Grade (g/t)	Silver (000 of ounces)
0.15	200,500	0.39	2,488	3.5	22,368

Table 1.2 Global Indicated Resources

Cutoff Grade (g/t)	Tonnes (000)	Gold Grade (g/t)	Gold (000 of ounces)	Silver Grade (g/t)	Silver (000 of ounces)
0.15	93,900	0.31	933	2.8	8,427

Table 1.3 Global Measured Plus Indicated Resources

Cutoff Grade (g/t)	Tonnes (000)	Gold Grade (g/t)	Gold (000 of ounces)	Silver Grade (g/t)	Silver (000 of ounces)
0.015	294,400	0.36	3,421	3.3	30,794

Table 1.4 Global Inferred Resources

Cutoff Grade (g/t)	Tonnes (000)	Gold Grade (g/t)	Gold (000 of ounces)	Silver Grade (g/t)	Silver (000 of ounces)
0.015	241,800	0.32	2,472	1.90	15,004

Source: Paramount Gold Nevada Resources Table

SLEEPER MINE 43-101 PRIOR 2013 PEA HAD HIGHER CAP EX

The July 30, 2012 43-101 Preliminary Economic Assessment of the Sleeper Mine proposed to recover 2.2 mm oz of gold and 8 mm oz of silver in a heap leach of 0.31 g/t gold. It required almost \$400 mm in “up front” and \$688 mm life-of-mine total cap ex, which is a large sum to finance in the current hostile investment climate towards gold prices and the mining industry.

The PEA estimated a 17-year production campaign to produce 2.9 mm oz of gold and 4.5 mm oz of silver at direct cash production costs plus depreciation of \$996 per oz. It estimated a pretax NPV of \$695 mm at a 5% discount rate or at least \$350 mm at 10% at \$1,384 gold and \$26.33 silver, which were three year trailing average prices one year ago. It estimated a 26.8% IRR.

These dynamics are not bad, but current gold prices near \$1,300 and the PZG share price near \$1.53 per share discourage raising the \$0.5 billion to build Grassy Mountain and Sleeper.

Sleeper suffers from adverse perceptions of its 0.3 to 0.4 g/t ore grade, and a failure of some investors to appreciate the advantages of existing Nevada infrastructures 50 miles from Interstate 80 where Amax Gold previously mined for 10 years. Investors are hostile to Osisko, Detour Gold or the former Rainy River which had mill ore grades near or slightly over 1 g/t. Investors fearing \$1,000 gold prices are not quick to offer equity funds for a 0.31 g/t heap leach mine.

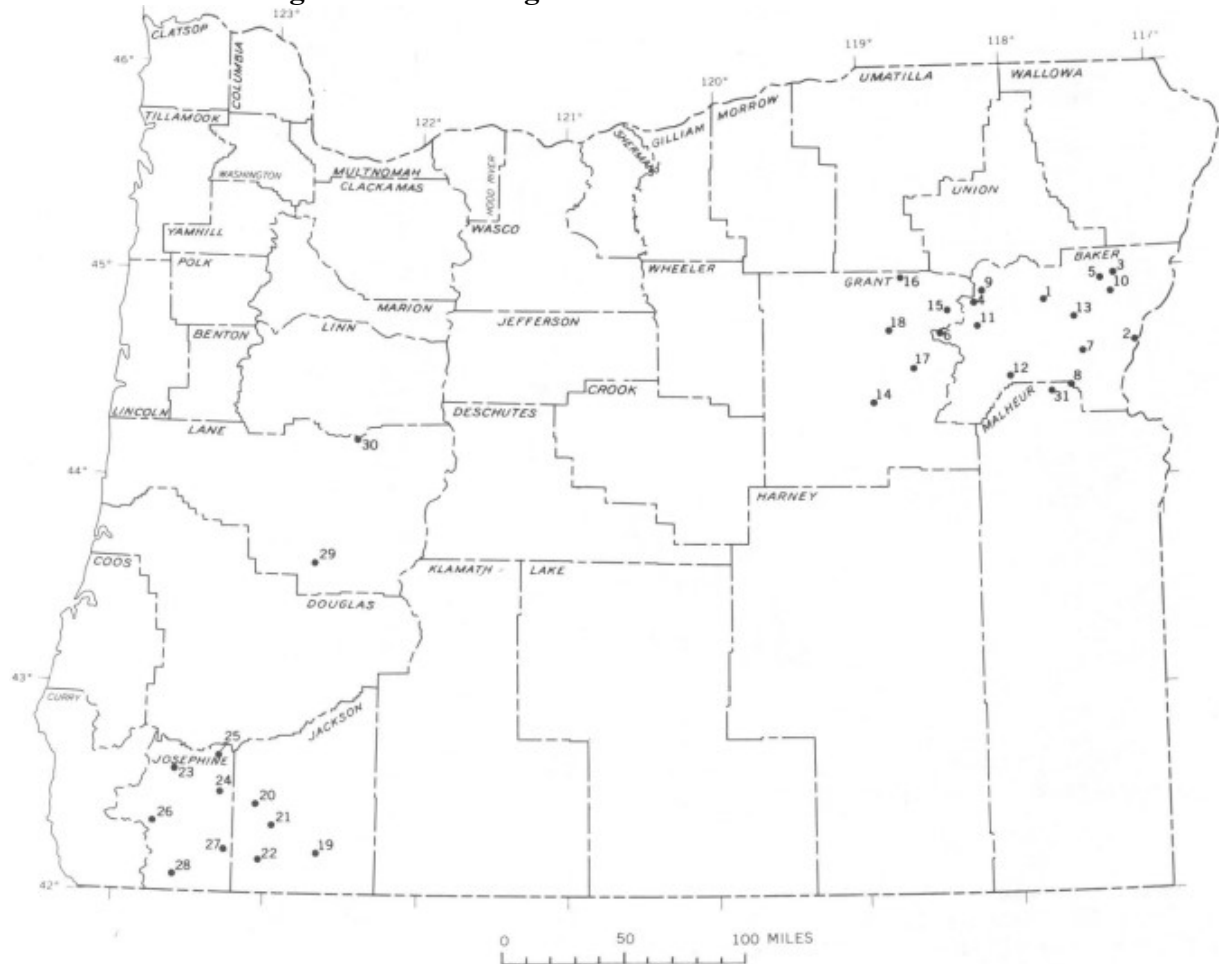
OREGON HISTORICAL OUTPUT

We found a 1968 geological survey study examining the Principal Gold-Producing Districts of the United States by A.H. Koschmann and M. H. Bergendahl. (Source: <https://pubs.usgs.gov/pp/0610/report.pdf>) The study examined historical gold output in the United States from 1852-1965. This study said that Oregon was the tenth most important gold producing state from 1852-1965, producing 5,797,000 ounces of gold during this period. The direct quote from the study is below.

“Oregon, the tenth most important gold-mining State, produced 5,797,000 ounces of gold from 1852 through 1965. Gold placers were worked as early as 1852, but the great rush to Oregon did not take place until 1861, after the placer discovery at Griffin Gulch in Baker County. After an initial period of high placer output, gold lodes were found and developed at a less frenzied rate. By the early 1900's, gold mining began a decline that lasted until 1934 when it was rejuvenated by the increase in the price of gold. A few districts, notably the Sumpster, were then reactivated, and gold mining was revived through the late 1930's and early 1940's until the demands of World War II diverted mining to commodities other than gold. Gold mining in Oregon in the post-World War II period has been in a steady decline.” (Source: Page 2 of the Principal Gold-Producing Districts of the United States by A.H. Koschmann and M.H. Bergendahl. URL: <https://pubs.usgs.gov/pp/0610/report.pdf>)

NO MODERN OUTPUT

The Oregon mineral industry in the past generation has been mostly aggregate quarries to support the construction activity in the state. We are not aware of modern gold mines or other mineral industries. The Quartz Mountain Gold property promoted by Robert Friedland's Cornucopia Resources in the mid-1980s and owned today by Alamos Gold and the Grassy Mountain project of PZG are the two most prominent projects in the state.

Table 7: Gold Mining Districts in Oregon as of 1968**FIGURE 21.—Gold-mining districts of Oregon.****Baker County:**

1, Baker; 2, Connor Creek; 3, Cornucopia; 4, Cracker Creek; 5, Eagle Creek; 6, Greenhorn; 7, Lower Burnt River valley; 8, Mormon Basin; 9, Rock Creek; 10, Sparta; 11, Sumpter; 12, Upper Burnt River; 13, Virtue.

Grant County:

14, Canyon Creek; 15, Granite; 16, North Fork; 17, Quartzburg; 18, Susanville.

Jackson County:

19, Ashland; 20, Gold Hill; 21, Jacksonville; 22, Upper Applegate.

Josephine County:

23, Galice; 24, Grants Pass; 25, Greenback; 26, Illinois River; 27, Lower Applegate; 28, Waldo.

Lane County:

29, Bohemia; 30, Blue River.

Malheur County:

31, Malheur.

Source: Page 217 of the Principal Gold-Producing Districts of the United States by A.H. Koschmann and M.H. Bergendahl. URL: <https://pubs.usgs.gov/pp/0610/report.pdf>

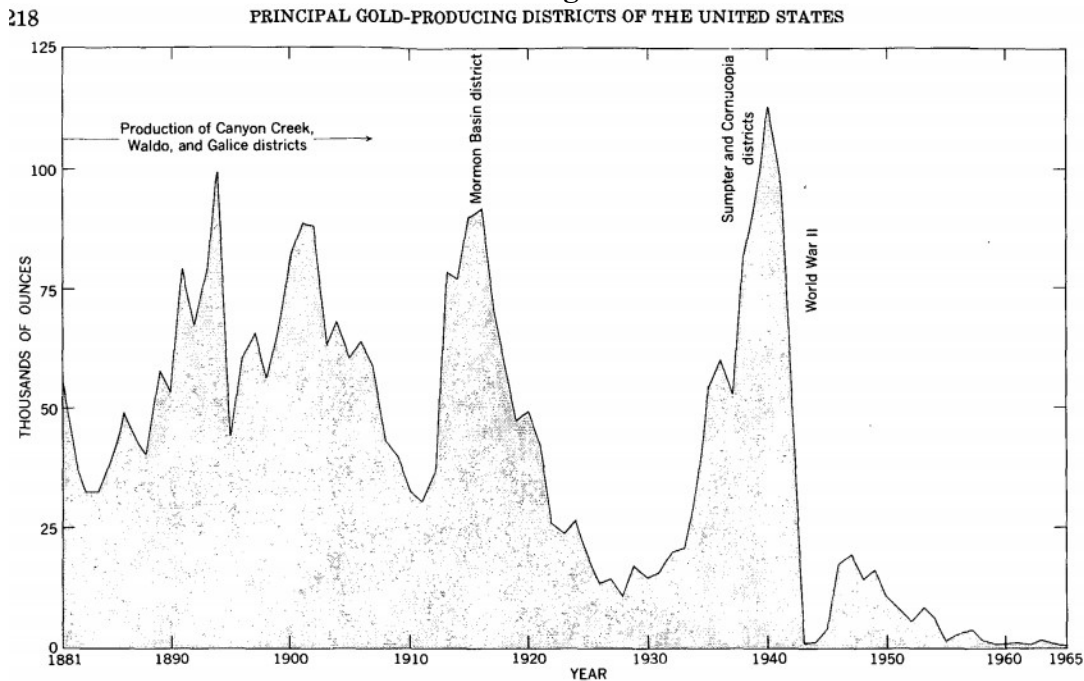
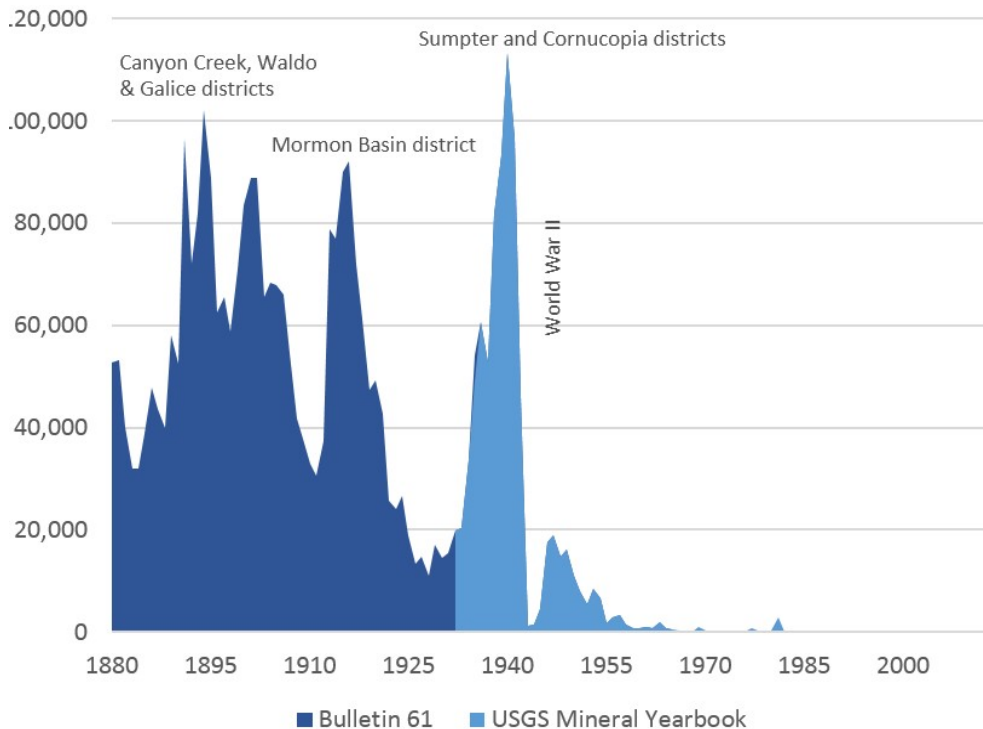
Table 8: Annual Gold Production of Oregon 1881-1965

FIGURE 22.—Annual gold production of Oregon, 1881–1965. Sources of data: 1881–1923 from U.S. Geological Survey (1883–1924); 1924–65 from U.S. Bureau of Mines (1925–34, 1933–66). Production reported in dollar value was converted to ounces at the prevailing price per ounce.

Source: Page 218 of the Principal Gold-Producing Districts of the United States by A.H. Koschmann and M.H. Bergendahl. URL: <https://pubs.usgs.gov/pp/0610/report.pdf>

Table 10: U.S. Gold Output by State (troy oz)					
		1799 to 1965	1965 to 2017	Total	Rank
California		106,130,214	12,000,000	118,130,214	2
Colorado		40,775,923	5,000,000	45,775,923	5
South Dakota		31,207,892	15,000,000	46,207,892	4
Alaska		29,872,981	25,000,000	54,872,981	3
Nevada		27,475,395	170,000,000	197,475,395	1
Utah		17,765,288	12,000,000	29,765,288	6
Montana		17,752,093	7,000,000	24,752,093	7
Arizona		13,321,176	4,000,000	17,321,176	8
Idaho		8,322,930	3,000,000	11,322,930	
Oregon		5,796,680		5,796,680	
Washington		3,671,026	4,000,000	7,671,026	
North Carolina		1,168,136		1,168,136	
other 38 states		1,650,711	32,000,000	33,650,711	
		307,182,367	289,000,000	596,182,367	
		source USGS			
Sources: https://pubs.usgs.gov/pp/0610/report.pdf for 1799-1965					
GFMS and WBMS for 1989 to 2017					
and JTVIR, LLC estimates for 1965-2017					

Table 9: Oregon Gold Production 1880-2000
Oregon Gold Production (ounces)



Source: <https://oregoneconomicanalysis.com/2014/04/01/graph-of-the-week-gold-mining-in-oregon/>

BUSINESS RISKS

Paramount Gold's biggest risk is to the price of gold and silver, the two metals they anticipate producing from their Grassy Mountain project in Oregon and their Sleeper project in Nevada. Another major risk is the ability to raise capital for their planned initial CAPEX estimates that are near \$100 mm at Grassy Mountain and over \$200 mm at Sleeper. Environmental, ore grade geological, recovery, engineering and other mining risks are present as in any mining project.

DISCLOSURES

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June **by a mining or other publicly traded company simply to write a "paid" research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any "compensation" or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as "John Tumazos Very Independent Research, LLC" if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

Paramount Gold and Silver, Galway Resources and Texas Rare Earth Resources have published favorable results from mineral properties, and their shares appreciated significantly after we received compensation. The purpose of JTACR is to remedy a “regulatory blackout,” where we cannot publish research as “independent” under JTVIR after accepting compensation. The creation of JTACR remedies such a “regulatory gag,” while openly communicating that we were compensated. It is possible that some institutional investors may consider it to be a “feather in the cap” of a small company that it engaged us to advise them in a transaction owing to our experience.

After receiving compensation from Paramount Gold and Silver in June 2010 for a fairness opinion in its acquisition of X-Cal Resources or Galway Resources, Tara Gold Resources, Appia Energy, Focus Gold, Texas Rare Earth Resources in 2010 or potentially other companies in the future, John Tumazos Very Independent Research, LLC (JTVIR) refrains from publishing research reports on such companies.

We define “compensation” as any consideration that creates direct pretax income for any of our businesses, research or advisory or any of our employees personally. However, we do permit companies to defray expenses, and large companies’ policies vary. Rio Tinto or Teck have invoiced us for charter aircraft. In contrast, we have accepted free air travel to mine sites from Vale within Brazil, Canada or Mozambique, from Agnico-Eagle to Finland, Chihuahua or Nunavut, Stonegate Agricom to Idaho, Fortescue Metals to its mines, HudBay Mineral to Manitoba, Peru or Michigan, Goldcorp, Brigus and VG Gold each to Timmons, Augen Gold to Swayze, Paramount Gold and Silver to Chihuahua, Goldcorp to Zacatecas, and many others. We do not define as “compensation” if Barrick Gold, Duluth Metals, Wits Gold or some other company picks up a group client lunch tab or buys us lunch alone. We do not define as “compensation” if a company charters an airplane to facilitate a research visit to a mine location without convenient commercial air service. We routinely invoice companies participating in our investor conferences \$1,000 to \$2,000 each to cover their pro rata expenses of the conference on a “Dutch Treat” basis, where we send each company a full expense accounting of our conferences as well.

The nature of the advisory services we have provided for compensation include (1) fairness opinions to the boards of directors of Paramount Gold and Silver, Tara Gold Resources, Tara Minerals Corp., and Augen Gold, (2) introductions to capital raising for Texas Rare Earth Resources and Appia Energy and (3) advisory on joint venture, strategy or capital raising for Galway Resources Victorio tungsten-molybdenum property.

As of September 30, 2011, Paramount Gold and Silver, Galway Resources, Tara Gold, Appia Energy and Focus Gold are eligible for JTACR research reports as having been “advised” and we have been “compensated.” However, Texas Rare Earth Resources, Galway Resources and Quaterra Resources are the subject of current engagements, which

may restrict our ability to write on them as regulators may presume we possess none-public information. In the past we have advised Duluth Metals, the Dorado Ocean Resources former subsidiary of Odyssey Marine Exploration and a private forest products company FXX, LLC without success and without receiving compensation.

We will distribute JTACR reports to JTVIR paid subscribers free, the particular mining companies may distribute JTACR reports from time-to-time and eventually we may sell JTACR to its own subscribers for \$5,000 annually after building up a coverage list.

We will monitor the financial returns of JTACR investment recommendations over time, and compare them to JTVIR returns. We expect that JTACR recommendations will provide much more volatile returns than the larger, more established companies JTVIR covers as large as BHP Billiton, Vale or Rio Tinto. Under previous employment at Donaldson, Lufkin & Jenrette, John Tumazos participated in the sole managed IPOs of Huntco in 1993 and Reliance Steel & Aluminum in September 1994 at \$3.225. Huntco subsequently went bankrupt after speculating on inventory and operating at low utilization rates. Reliance Steel & Aluminum, however, appreciated 16-fold to \$51.32 as of May 20, 2011. It is inevitable that some companies will make better decisions than others.

CERTIFICATION OF OUR RESEARCH OPINIONS

I, John Tumazos, certify that the opinions written in all research reports are my own. I believe what we write, and from time to time I may buy or sell the shares we recommend after a 48 hour delay after publishing our reports following the advice we give. Further, I personally proofread and “click the pdf button” on virtually every report we publish except sometimes when I am abroad.

Our team or employees is encouraged to disagree with me at any time. We have active and vigorous internal debates concerning appropriate discount rates or long-term terminal growth rates to use in net present value valuations or other analytical issues. My team realizes that customers want to pay for my 30+ years of experience, but I encourage them to disagree, correct or provoke debate to improve our work.

DEFINITION OF A RESEARCH OPINION

We have target prices, investment ratings, earnings estimates and financial models for 47 companies upon which we maintain regular research coverage.

The legal or regulatory definition of research, however, is more broad. Regulators consider any written or editorial commentary about a stock or publicly traded company to be “research.” However, a “recommendation” or “opinion” is not rendered unless there is a price target and specific buy or sell recommendation.

From time-to-time we visit very large, important global companies outside our research coverage. Our objective may be to be well informed about industry events, predict future

mine output or “supply” in a particular market or to begin to learn about a complex company to begin future full research. We may need to learn and become familiar to provide inputs to our financial models. In May 2008 we published a partial report on Xstrata after visiting two of its mines in South America. In November 2008 we published a partial report summarizing our visits to the London headquarters of Xstrata and Anglo-American outside our coverage as well as Rio Tinto and Antofagasta PLC within our full coverage. In August 2009 we published two research reports on Severstal after visiting its Columbus, MS newest steel plant a second time. These “partial” reports contained no price target, investment rating, earnings estimates or financial models. Instead, they provided detailed descriptions of the important locations we visited or meetings in headquarters.

We provide research about commodities markets in general, “seminar highlights” on up to another 75 or more companies we host annually at our conferences outside our regular full research coverage and “partial reports.” We have no price target, written investment opinion, earnings estimates or financial models (production, incomes statement, cash flow or balance sheet simulations) of such companies outside our coverage that speak at our March or November conferences. Any viewpoint we have without complete financial models or careful financial analysis is “winging it.”

Our intent in writing Seminar Highlights is to provide a one page written summary of each seminar participant company’s presentation. We provide live open, public, unrestricted webcasts of each such corporate presentation at our conferences as a courtesy to each participating company, and archive each webcast under the “conferences” tab of www.veryindependentresearch.com.

Our clients should not automatically consider our invitation of a company to speak at our future conferences as a “Buy Recommendation” or complete endorsement. We may not have visited the mines or assets of some of these companies. Occasionally we invite a company to speak to learn more about them as a stage in our learning process.

ORGANIZATION OF JTVIR

John Tumazos Very Independent Research, LLC (JTVIR) is organized as an investment advisor in the State of New Jersey and regulated by the NJ Bureau of Securities. We publish about 20 research reports each month covering about 40 to 50 stocks in the metals commodities markets, forest products, aluminum, steel, gold, copper and other mining sectors. We travel abroad or domestically typically each month visiting companies. We host Conferences each year in which companies make presentations, which are archived for roughly one year at www.veryindependentresearch.com under the “conferences” tab.

Currently we have over 30 paid clients in the U.S., Canada, Switzerland and U.K. Three of our clients have engaged us to write “custom studies” on pre-production mining stocks without any U.S. or global research coverage, including Skye Resources (an 11 bil lb nickel resource in Guatemala), Mercator Minerals (a copper-moly restart in Arizona) and

JSW Steel's 70%-owned Minera Santa Fe (48 sq km undrilled magnetic anomaly and associated iron ore properties in 3rd Region of Chile).

JTVIR DISCLOSURES

"John Tumazos Very Independent Research, LLC" (JTVIR) is a Delaware Corporation formed July 6, 2007 with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide "unbundled" metals, paper and fertilizer industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than "day trading" sorts of near-term issues.

Except for WestRock, Weyerhaeuser, Southern Copper, Grupo Mexico, Norilsk Nickel, Worthington Industries, Pan American Silver, FCX, RNC (Royal Nickel), Vale, Fortescue Mining, Anglo American, Allegheny Technologies, Tahoe Resources, Sandstorm Gold, SilverCrest Metals, Premier Gold, Osisko Gold Royalties, Guyana Goldfields, Pure Gold, Entrée Gold, Mason Resources, Kirkland Lake Gold, Anfield Gold, Argonaut Resources, Appia Energy, Texas Minerals Resources Corp., Galway Gold, Galway Metals, Eco Oro (Greystar Resources), Liberty Gold (Pilot Gold), TriMetals A and B and Renaissance Gold, neither JTVIR, its members or its employees own or have a financial interest in any securities discussed in this report or any reports we have published recently. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to "put his or her money where his mouth is" to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

However, our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations. Our policy is full disclosure of any advisory relationship or conflict going back three years.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d'Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and Grupo Imsa and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thypin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Some examples we can recall of incomplete transactions for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA as of June 2007: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport-McMoRan Copper & Gold, and FNX Mining. Dynatec, Alcan and Bowater are companies not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to takeovers. Smurfit-Stone Container and AbitibiBowater were dropped from JTVIR research coverage after they entered bankruptcy. Skye Resources, FNX Mining, QuadraFNX Mining, Duluth Metals, Xstrata, MeadWestvaco, Smurfit-Stone Container (new) were dropped after full coverage initiation due to takeover.

Subsequently, since September 2007 JTVIR, LLC has initiated regular coverage of new companies not previously covered in the former universe at the former Prudential Equities Group. These new companies include CF Industries, Mosaic, Franco-Nevada, Silver Wheaton, Royal Gold, Osisko Gold Royalties, Sandstorm Gold, South32, Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Thompson Creek Metals, Duluth Metals, Polymet Mining, Greystar Resources, Vale, GlencoreXstrata, Glencore, Xstraa, Anglo American, Packaging Corp. of America, Norbord, Rock Tenn, HudBay Minerals, Alumina Ltd., Fortescue Metals, and Century Aluminum.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of "Overweight," "Neutral Weight," and "Underweight" most closely correspond with the more traditional ratings of "Buy," "Hold," and "Sell," respectively; however, please note that

their meanings are not the same. (See the definitions above.) We believe that an investor's decision to buy or sell a security should always take into account, among other things, that the investor's particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to "balance" the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a "bottoms up" manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities. John Tumazos Very Independent Research, LLC, and its affiliates, make no representation that the companies which issue securities that are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934.

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Additional information on the securities discussed herein is available upon request. The applicable disclosures can be obtained by writing to: John Tumazos Very Independent Research, LLC, 11 Yellow Brook Road, Holmdel, NJ 07733 Attn: John C. Tumazos.

BOARD OF TRER AUGUST 6, 2012 TO MAY 27, 2013

On August 6, 2012 we joined the board of Texas Rare Earth Resources, and were elected Non-Executive Chairman. We made an early stage investment in the company after it obtained its core property in the fourth-quarter of 2010, and we and other activist shareholders believed there was room for improvement in its business plan and performance in 2012. We did not expect our participation in TRER to be indefinite, and believed that it will seek a larger mining company to help it complete its projects.

On May 27, 2013 we resigned from the Board of Texas Rare Earth Resources. We were pleased that metallurgical research into sulphuric acid heap leach processes made advances, which determined an alternative process requiring 10% to 20% of the cap ex proposed in the prior June 15, 2012 NI 43-101 study. The 2010 identification and possession of the property and the 2013 metallurgical advances added value, and we thought a larger organization would better develop the production plant.

We declined all other invitation to join Boards of Directors. We do not want distractions or other activities to weaken JTVIR, LLC. Further, we have a “team psychology” and a large commitment to one another within JTVIR, LLC.

JTVIO

John Tumazos Very Independent Opinions, LLC (JTVIO) is a separate company providing various services “other than” investment research sold to institutions in JTVIR. Counsel advised any other activities be organized separately. Such other activities have involved < 5% of our time.

In general, we may provide investment banking or advisory services mostly to sub-\$100 mm mining companies that have defined a “deposit,” but need more capital after a discovery for infill drilling, bulk metallurgical testing, definitive feasibility study or the capital outlays to build a mine. JTVIO envisions merger advisory, “second opinion” critiques of investment banking advice, strategic consulting, valuation opinions, fairness opinions, mine technical services such as “Third Party Reviews” of technical studies or

other corporate services. The “research coverage” of JTVIR largely involves very large companies with completed steel, aluminum, forest products or mine plants with market capitalizations usually between \$1 and \$250 billion. Historic companies often over one century old, such as Alcoa or U.S. Steel or BHP Billiton, will use top ten commercial or investment banks for advisory services and we make no attempt to be engaged by them owing to their long historic relationships.

We prefer to advise companies without revenues, which large investment banks like Goldman Sachs, JP Morgan, Morgan Stanley or BMO often avoid. Such mining companies without revenues are not as competitively over-banked, and many of the geologists are quite gifted and have extremely promising projects.

We undertook some platinum market studies for Platinum Group Metals in the past year.

We have accepted compensation from Texas Rare Earth Resources and Appia Energy, a private concern, related to introducing investors to them.

In August 2011 we advised the Board of Directors of Augen Gold that a hostile tender offer from Trelawney Mining. On October 9, 2010 we were engaged by Tara Gold Resources to evaluate the fairness of their September 13, 2010 proposed merger to amalgamate with Tara Minerals, which it terminated on March 7, 2011. We delivered a “structure opinion” to Tara Gold Resources and Tara Minerals on May 20, 2011 that the cancellation of the announced September 13, 2011 merger was “fair.” On June 24, 2010 we delivered a Fairness Opinion to the board of directors of Paramount Gold and Silver for compensation in their acquisition of X-Cal Resources, Ltd concerning the Sleeper gold mine near Winnemucca, NV formerly operated in 1986-1996 by Amax Gold and having past output of 1.66 mm oz gold and 2.3 mm oz silver plus 26,000 oz of placer gold almost one century ago.

On October 6, 2010 we were engaged by Dorado Ocean Resources Limited, a privately held company. That assignment has concluded without success or compensation.

On June 3, 2008 Galway Resources engaged JTVIO to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing over 200 mm pounds of each mineral in situ, which is JTVIO’s first activity (see www.galwayresources.com June 3, 2008 press release). We have received compensation from Galway Resources.

These past engagements pose no “conflict of interest” with JTVIR research coverage as long as JTVIR does not cover or write on Paramount Gold and Silver, Galway Resources, or other sub-\$250 mm market cap emerging companies. However, subsequently Galway Resources has documented gold occurrences on Galway grounds and begun drilling. After our November 6-12, 2009 trip to the California gold district of Colombia, we published research reports on Greystar Resources and NOT Galway Resources to avoid conflicted research. We omitted Galway Resources from our “Conference Highlights” report even though it spoke at our November 19, 2009 conference in a similar vein to avoid conflicted research.

JTACR

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com. Since the second half of 2011 JTACR has published research reports on Texas Rare Earth Resources, Paramount Gold and Silver, Galway Resources, Galway Gold, Galway Metals and Platinum Group Metals. These represent < 10% of our company research and < 5% of our written research report output.

POTENTIAL MONEY MANAGEMENT ACTIVITIES

We manage my own money and one client account. Our trades conform to our published research and follow publication by a minimum of two business days. Client recommendations have first priority.

In November 2011 we accepted our first customer money management account, and we are beginning to set up an account and legal agreement to manage money for him. We are in the process of completing such paperwork.

Money Management for clients could be another line of business. “Mine Development Fund” is a “current” project to establish a small fund to invest in post-discovery, large resource companies (over \$2 billion in situ mineral value already defined) requiring financing to “build the mine” and grow. The target market cap of the companies in which it would invest would be \$0.1 to \$10 billion. Our detailed studies of emerging mines may prove synergistic across several applications. We have also considered creating sector ETFs, but determined there is more value-added in fund management.

Our published over 1,500 research reports to Since July 7, 2007 has concentrated on the metals commodities themselves, steel, aluminum, forest products and larger capitalization mines like Rio Tinto, BHP, Freeport-McMoRan Copper, Barrick Gold, etc. Only 7%-10% of our written research involves the “sub-\$2 billion mine” size range that would be the focus of either JTVIO or Mine Development Fund. Thus, compliance issues or conflicts of interest would occur in a smaller subset of JTVIR coverage as JTVIR

coverage involves larger caps, “established processing companies” or commodities. JTVIO or the buy-side investing may focus on much smaller companies

POTENTIAL MINE SERVICES ACTIVITIES

As a substantial user of mine feasibility study reports or other technical reports prepared at early stages after first discovery, sometimes we are very dissatisfied. We may from time-to-time provide “Third Party Review,” critique such mine scoping study or prefeasibility study reports. We do not seek to “second guess” scientific issues of mine engineering or metallurgy. However, we may differ with the mathematics of reserve determination, capital cost estimates, “simultaneity” of price and cost assumptions, various business planning issues, the opportunity to “phase” or subcontract to reduce initial capital costs or other financial issues. The “custom studies” we have provided to several buy-side JTVIR customers may resemble “Mine Services” future products presented as “Third Party Review” of mine technical studies.