
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2024

OR

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

FOR THE TRANSITION PERIOD FROM TO
Commission File Number 001-36908

PARAMOUNT GOLD NEVADA CORP.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

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

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

89445
(Zip Code)

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Small reporting company

Emerging growth company

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

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

The number of shares of registrant's Common Stock outstanding, \$0.01 par value per share, as of February 10, 2025 was 67,602,688.

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

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

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

PARAMOUNT GOLD NEVADA CORP.
Condensed Consolidated Interim Balance Sheets
(Unaudited)

	December 31, 2024	June 30, 2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,405,400	\$ 5,423,059
Prepaid expenses and deposits	779,615	1,319,743
Total Current Assets	4,185,015	6,742,802
Non-Current Assets		
Mineral properties	49,119,413	49,069,413
Reclamation bonds	546,176	546,176
Property and equipment	10,475	3,221
Total Non-Current Assets	49,676,064	49,618,810
Total Assets	\$ 53,861,079	\$ 56,361,612
Liabilities and Stockholders' Equity		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 348,108	\$ 563,806
Reclamation and environmental obligation, current portion	120,000	120,000
Total Current Liabilities	468,108	683,806
Non-Current Liabilities		
Debt liability of royalty convertible debenture, net	11,543,534	11,456,523
Derivative liability of royalty convertible debenture	3,806,160	3,642,105
Deferred tax liability	273,450	273,450
Reclamation and environmental obligation, non-current portion	2,224,462	2,150,288
Total Non-Current Liabilities	17,847,606	17,522,366
Total Liabilities	18,315,714	18,206,172
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Common stock, par value \$0.01, 200,000,000 authorized shares, 67,421,774 issued and outstanding at December 31, 2024 and 200,000,000 authorized shares, 65,044,305 issued and outstanding at June 30, 2024	674,218	650,444
Additional paid in capital	120,853,013	119,883,235
Accumulated deficit	(85,981,866)	(82,378,239)
Total Stockholders' Equity	35,545,365	38,155,440
Total Liabilities and Stockholders' Equity	\$ 53,861,079	\$ 56,361,612

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

PARAMOUNT GOLD NEVADA CORP.
Condensed Consolidated Interim Statements of Operations
(Unaudited)

	Three Months Ended December 31, 2024	2023	Six Months Ended December 31, 2024	2023
Expenses				
Exploration and development	\$ 377,112	\$ 304,033	\$ 772,410	\$ 817,127
Reclamation	16,420	1,469,897	70,357	2,216,593
Land holding costs	186,389	157,143	352,954	314,287
Professional fees	85,234	98,315	257,231	153,567
Salaries and benefits	280,711	259,194	569,191	538,790
Directors' compensation	48,447	28,951	99,978	57,984
General and administrative	178,949	184,727	367,260	321,866
Accretion	45,619	110,558	134,174	221,117
Total Expenses	1,218,881	2,612,818	2,623,555	4,641,331
Net Loss Before Other Expense	1,218,881	2,612,818	2,623,555	4,641,331
Other Expense (Income)				
Other income	—	(1,217,131)	(6,217)	(1,302,813)
Change in derivative liability on royalty convertible debenture	400,144	—	164,055	—
Interest expense	426,840	178,872	853,680	310,201
Interest income	(14,376)	—	(31,446)	—
Net Loss	<u>\$ 2,031,489</u>	<u>\$ 1,574,559</u>	<u>\$ 3,603,627</u>	<u>\$ 3,648,719</u>
Loss per Common Share				
Basic and diluted	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.06
Weighted Average Number of Common Shares Used in Per Share Calculations				
Basic and diluted	66,190,772	59,077,284	65,682,815	57,688,376

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

PARAMOUNT GOLD NEVADA CORP.

Condensed Consolidated Interim Statements of Stockholders' Equity
(Unaudited)

	Shares (#)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2024	65,044,305	\$ 650,444	\$ 119,883,235	\$ (82,378,239)	\$ 38,155,440
Stock based compensation	—	—	62,205	—	62,205
Capital issued for financing	114,918	1,149	45,209	—	46,358
Capital issued for payment of interest	898,888	8,989	374,345	—	383,334
Net loss	—	—	—	(1,572,138)	(1,572,138)
Balance at September 30, 2024	66,058,111	\$ 660,582	\$ 120,364,994	\$ (83,950,377)	\$ 37,075,199
Stock based compensation	—	—	\$ 60,451	—	60,451
Capital issued for financing	137,134	\$ 1,371	\$ 56,499	—	57,870
Capital issued for payment of interest	1,226,529	\$ 12,265	\$ 371,069	—	383,334
Net Loss	—	—	—	(2,031,489)	(2,031,489)
Balance at December 31, 2024	67,421,774	\$ 674,218	\$ 120,853,013	\$ (85,981,866)	\$ 35,545,365
	Shares (#)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at June 30, 2023	54,812,248	\$ 548,124	\$ 116,613,503	\$ (74,321,794)	\$ 42,839,833
Stock based compensation	—	—	66,684	—	66,684
Capital issued for financing	3,515,257	35,153	1,053,375	—	1,088,528
Capital issued for payment of interest	553,141	5,531	154,882	—	160,413
Net loss	—	—	—	(2,074,160)	(2,074,160)
Balance at September 30, 2023	58,880,646	\$ 588,808	\$ 117,888,444	\$ (76,395,954)	\$ 42,081,298
Stock based compensation	—	—	43,431	—	43,431
Capital issued for financing	246,258	2,463	49,661	—	52,124
Capital issued for payment of interest	558,430	5,584	176,840	—	182,424
Net Loss	—	—	—	(1,574,559)	(1,574,559)
Balance at December 31, 2023	59,685,334	\$ 596,855	\$ 118,158,376	\$ (77,970,513)	\$ 40,784,718

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

PARAMOUNT GOLD NEVADA CORP.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

	Six Months Ended December 31,	
	2024	2023
Net Loss	\$ (3,603,627)	\$ (3,648,719)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation	1,844	683
Stock based compensation	122,656	110,115
Amortization of debt issuance costs	87,011	4,862
Non-cash interest expense	766,668	312,875
Accretion expense	134,174	221,117
Settlement of asset retirement obligations	(60,000)	(60,000)
Change in derivative liability	164,055	—
Effect of changes in operating working capital items:		
Change in prepaid expenses	540,128	660,825
Change in accounts payable	(215,698)	871,223
Cash used in operating activities	(2,062,789)	(1,527,019)
Cash flows from investing activities:		
Purchase of mineral properties	(50,000)	(50,000)
Purchase of equipment	(9,098)	—
Cash used in investing activities	(59,098)	(50,000)
Cash flows from financing activities		
Capital issued for financing, net of share issuance costs	104,228	1,140,652
Proceeds from royalty convertible debenture	—	15,000,000
Royalty convertible debenture issuance costs	—	(870,111)
Repayment of 2019 convertible notes	—	(4,277,690)
Repayment of notes payable, related parties	—	(1,667,833)
Cash provided by financing activities	104,228	9,325,018
Change in cash during period	(2,017,659)	7,747,999
Cash at beginning of period	5,423,059	824,920
Cash at end of period	\$ 3,405,400	\$ 8,572,919

See Note 4 for supplemental cash flow information

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

PARAMOUNT GOLD NEVADA CORP.
Notes to Condensed Consolidated Interim Financial Statements
For the Six Months Periods Ended December 31, 2024 and 2023
(Unaudited)

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

Paramount Gold Nevada Corp. (the "Company" or "Paramount"), incorporated under Chapter 78 of Nevada Revised Statutes, and its wholly-owned subsidiaries are engaged in the acquisition, exploration and development of precious metal properties. The Company's wholly owned subsidiaries include New Sleeper Gold LLC, Sleeper Mining Company, LLC, and Calico Resources USA Corp ("Calico"). The Company is in the process of exploring its mineral properties in Nevada and Oregon, United States. The Company's activities are subject to significant risks and uncertainties, including the risk of failing to secure additional funding to advance its projects and the risks of determining whether these properties contain reserves that are economically recoverable. The Company's shares of common stock trade on the NYSE American LLC under the symbol "PZG".

Basis of Presentation and Preparation

The unaudited condensed consolidated interim financial statements are prepared by management in accordance with accounting principles for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. In the opinion of management, all the normal and recurring adjustments necessary to fairly present the interim financial information set forth herein have been included.

The condensed consolidated interim financial statements have been prepared on an accrual basis of accounting, in conformity with U.S. GAAP, are presented in US dollars and follow the same accounting policies and methods of their application as the most recent annual financial statements. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and related footnotes for the year ended June 30, 2024.

Reclassification

For the fiscal year 2024, the Company reclassified certain amount in the consolidated statement of operations to conform to current period presentation. These reclassifications, including reclamation expenses from exploration and development, had no impact on previously reported Net Loss.

Significant Accounting Policies

Please see Note 1- Description of Business and Summary of Significant Accounting Policies contained in the 2024 10-K.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-03, 'Disaggregation of Income Statement Expenses,' aimed at enhancing the transparency of expense information in financial statements. The ASU seeks to improve the decision usefulness of expense information by requiring public business entities to disaggregate certain expense captions in the notes to financial statements. This includes detailed disclosures of purchases of inventory, employee compensation, depreciation, amortization, and depletion expenses. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently reviewing the impact of adopting the provisions of this new ASU on our consolidated financial statements and related disclosures.

Note 2. Going Concern

The Company has not generated any revenues or cash flows from operations to date. As such the Company is subject to all the risks associated with development stage companies. Since inception, the Company has incurred losses and negative cash flows from operating activities which have been funded from the issuance of common stock, convertible notes, note payable and the sale of royalties on its mineral properties. The Company does not expect to generate positive cash flows from operating activities in the near future, if at all, until such time it successfully initiates production at its Grassy Mountain Project, including obtaining construction financing, completing the construction of the proposed mine and anticipates incurring operating losses for the foreseeable future.

The Consolidated Interim Financial Statements of the Company have been prepared on a "going concern" basis, which means that the continuation of the Company is presumed even though events and conditions exist that, when considered in aggregate, raise substantial doubt about the Company's ability to continue as a going concern because it is possible that the Company will be required to adversely change its current business plan or may be unable to meet its obligations as they become due within one year after the date that these financial statements were issued.

Paramount expects to continue to incur losses as a result of costs and expenses related to maintaining its properties and general and administrative expenses. Since 2015, the Company has relied on equity financings, debt financings and sale of royalties to fund its operations and the Company expects to rely on these forms of financing to fund operations into the near future.

Paramount's current business plan requires working capital to fund non-discretionary expenditures for its exploration and development activities on its mineral properties, mineral property holding costs and general and administrative expenses.

Subsequent to February 12, 2025, the Company expects to fund operations as follows:

- Existing cash on hand and working capital.
- The existing ATM with Cantor Fitzgerald & Co. and A.G.P/Alliance Global Partners.
- Insurance proceeds to fund reclamation and environmental obligations at its Sleeper Gold Project.
- Equity financings and sale of royalties.

At December 31, 2024, the Company's cash balance was \$3,405,400.

Historically, we have been successful in accessing capital through equity and debt financing arrangements or by the sale of royalties on its mineral properties, no assurance can be given that additional financing will be available to it in amounts sufficient to meet its needs, or on terms acceptable to the Company. In the event that we are unable to obtain additional capital or financing, our operations, exploration and development activities would be significantly adversely affected. The continuation of the Company as a going concern is dependent on having sufficient capital to maintain our operations. In considering our financing plans and our current working capital position the Company believes there is substantial doubt about its ability to continue as a going concern twelve months after the date that our financial statements are issued.

Note 3. Fair Value Measurements

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

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

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

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs that are both significant to the fair value measurement and unobservable.

Financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Our financial instruments include cash and cash equivalents, accounts payable, accrued liabilities, the royalty conversion feature on the Debenture (see Note 6) and convertible debt. Due to their short maturity of our cash and cash equivalents, accounts payable and accrued liabilities, we believe that their carrying amounts approximate fair value as of December 31, 2024 and June 30, 2024.

The Company determined that the Royalty conversion feature (Note 6) embedded in the Debenture is required to be accounted for separately from the Debenture as a derivative liability and recorded at fair value and the remaining value allocated to the Debenture net the unamortized debt issuance costs. The derivative liability will be fair valued at each reporting period, with changes in fair value recorded as a gain or loss in the Consolidated Statement of Operations. During the three and six month periods ended December 31, 2024, the fair value derivative liability increased by \$400,144 and \$164,055, respectively, and it was recorded in Change in derivative liability on royalty convertible debenture on the Condensed Consolidated Interim Statement of Operations.

As of December 31, 2024, the Royalty conversion feature is recorded at \$3,806,160 (June 30, 2024 - \$3,642,105) and is valued based on Level 3 inputs. Several steps were used to calculate the fair value of the Royalty conversion feature on the Debenture. First utilizing the Royalty Agreement's royalty rate of 4.75% for the life of mine, the annual gross royalty amounts were calculated from estimated expected gross revenues of the proposed Grassy Mountain Mine. The annual royalty amounts were discounted using a long

term stock market rate of return of 10%. Second, a Black-Scholes model was used to calculate the fair value of the conversion option. The key assumptions in valuing the royalty conversion option derivative include:

	December 31, 2024	At June 30, 2024
Cumulative present value of royalty stream	\$ 15,935,339	\$ 15,188,299
Conversion threshold is set as the value of the Debenture	\$ 15,000,000	\$ 15,000,000
Term in years	3.99	4.49
Volatility (A five year portfolio volatility of gold and silver, weighted by relative value in the project, is used as the historical volatility for the royalty stream)	14.99 %	16.65 %
Risk-Free Rate (Derived from a term-matched coupon risk-free interest rate derived from the Treasury Constant Maturities yield curve)	4.24 %	4.27 %
Dividend yield ¹	0 %	0 %

¹.Dividend yield is set to 0% as no value of the royalty is lost given that production is assumed to begin in year 5

Note 4. Non-Cash Transactions

For the three months ended December 31, 2024, the Company issued 1,226,529 shares of common stock for payment of interest accrued on its outstanding Royalty Convertible Debenture with a fair value of \$383,334.

For the three months ended December 31, 2023, the Company issued 558,430 shares of common stock for payment of interest accrued on its outstanding 2019 Convertible Notes with a fair value of \$182,424.

For the six months ended December 31, 2024, the Company issued 2,125,417 shares of common stock for payment of interest accrued on its outstanding Royalty Convertible Debenture with a fair value of \$766,668.

For the six months ended December 31, 2023, the Company issued 1,111,571 shares of common stock for payment of interest accrued on its outstanding debt (Note 6) with a fair value of \$342,837.

Note 5. Capital Stock

Authorized Capital

Authorized capital stock consists of 200,000,000 common shares with par value of \$0.01 per common share as of December 31, 2024 (June 30, 2024 – 200,000,000 common shares with par value \$0.01 per common share).

For the three months ended December 31, 2024, the Company issued 137,134 shares of common stock from its ATM program for net proceeds of \$57,870 and issued 1,226,529 shares of common stock for payment of interest accrued on its outstanding Royalty Convertible Debenture (Note 6) with a fair value of \$383,334.

For the three months ended December 31, 2023, the Company issued 246,258 shares of common stock from its ATM program for net proceeds of \$52,124 and issued 558,430 shares of common stock for payment of interest accrued (Note 6) with a fair value of \$182,424.

For the six months ended December 31, 2024, the Company issued 252,052 shares of common stock from its ATM program for net proceeds of \$104,228 and issued 2,125,417 shares of common stock for payment of interest accrued on its outstanding Royalty Convertible Debenture (Note 6) with a fair value of \$766,668.

For the six months ended December 31, 2023, the Company issued 3,761,515 shares of common stock from its ATM program for net proceeds of \$1,140,652 and issued 1,111,571 shares of common stock for payment of interest accrued (Note 6) with a fair value of \$342,837.

Stock Options, Restricted Stock Units and Stock Based Compensation

Paramount's 2015 and 2016 Stock Incentive and Compensation Plans, which are stockholder-approved, permits the grant of stock options, restricted stock units and stock to its employees and directors for up to 5.5 million shares of common stock.

Total stock-based compensation for the six months ended December 31, 2024 and 2023 were \$122,656 and \$110,115, respectively.

Stock Options

Stock option awards are generally granted with an exercise price equal to the market price of Paramount's stock at the date of grant and have contractual lives of 5 years. To better align the interests of its key executives, employees and directors with those of its shareholders a significant portion of those share option awards will vest contingent upon meeting certain stock price appreciation

performance goals and other performance conditions. Option and share awards provide for accelerated vesting if there is a change in control (as defined in the Stock Incentive and Compensation Plans).

For the six months ended December 31, 2024, the Company did not grant stock options (six months ended December 31, 2023 – nil).

For the three months ended December 31, 2024, share-based compensation expense relating to service condition options and performance condition options was \$nil and \$1,199, respectively (2023 - \$nil and \$1,105).

For the six months ended December 31, 2024, share-based compensation expense relating to service condition options and performance condition options was \$nil and \$2,398, respectively (2023 - \$nil and \$2,669).

A summary of stock option activity under the Stock Incentive and Compensation Plans as of December 31, 2024 is presented below:

Options	Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at June 30, 2023	1,405,000	\$ 1.05	2.06	\$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or expired	—	—	—	—
Outstanding at June 30, 2024	1,405,000	\$ 1.05	1.06	\$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or expired	(535,000)	1.00	—	—
Outstanding at December 31, 2024	870,000	\$ 1.08	0.93	\$ —
Exercisable at December 31, 2024	<u>611,664</u>	<u>\$ 1.07</u>	<u>1.00</u>	<u>\$ —</u>

A summary of the status of Paramount's non-vested options at December 31, 2024 is presented below:

Non-vested Options	Options	Weighted-Average Grant-Date Fair Value
Non-vested at June 30, 2023	458,336	\$ 0.47
Granted	—	—
Vested	—	—
Forfeited or expired	—	—
Non-vested at June 30, 2024	458,336	\$ 0.47
Granted	—	—
Vested	—	—
Forfeited or expired	(200,000)	0.39
Non-vested at December 31, 2024	<u>258,336</u>	<u>\$ 0.55</u>

As of December 31, 2024, there was approximately \$930 of unamortized stock-based compensation expense related to non-vested stock options outstanding. The expenses are expected to be recognized over a weighted-average period of 0.67 years. The total fair value of stock based compensation that vested related to outstanding stock options during the six months ended December 31, 2024 and 2023, was nil and nil, respectively.

Restricted Stock Units ("RSUs")

RSUs are awards for service and performance which upon vesting and settlement entitle the recipient to receive one common share of the Company's Common Stock for no additional consideration, for each RSU held.

For the six months ended December 31, 2024 and 2023, there were no RSUs granted by the Company.

For the three months ended December 31, 2024, share-based compensation expenses related to service condition RSUs and performance condition RSUs was \$32,828 and \$26,425, respectively (2023 - \$32,814 and \$9,512).

For the six months ended December 31, 2024, share-based compensation expenses related to service condition RSUs and performance condition RSUs was \$65,656 and \$54,603, respectively (2023 - \$76,307 and \$31,138).

A summary of RSUs activity is summarized as follows:

Restricted Share Unit Activity	Outstanding RSUs	Weighted average grant date fair value
Outstanding at June 30, 2023	980,500	\$ 0.43
Granted	1,360,000	0.28
Vested	(615,500)	0.42
Forfeited	—	—
Outstanding at June 30, 2024	1,725,000	\$ 0.31
Granted	—	—
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2024	1,725,000	\$ 0.31

As of December 31, 2024, there was approximately \$131,806 of unamortized stock-based compensation expense related to outstanding RSUs. The expenses are expected to be recognized over the remaining weighted-average vesting periods of approximately 1 year.

Note 6. Debt

\$15,000,000 Secured Royalty Convertible Debenture

Effective as of December 27, 2023, Paramount closed on a Secured Royalty Convertible Debenture (the "Debenture") with Sprott Private Resource Streaming and Royalty (US Collector), LP ("Sprott") for \$15,000,000. The Debenture bears an interest rate of 10% per annum, which, at Paramount's discretion, will be payable in cash or shares of its common stock at a 7% discount to the 10-day volume weighted average price ("VWAP") from the scheduled date of payment of interest. The Debenture may be repaid in cash or is convertible into a gross revenue royalty (the "Royalty") of 4.75% of the gold and silver produced from the proposed Grassy Mountain Gold Mine. The Debenture may be repaid in cash or through the issuance of the Royalty at the earlier of the commencement of commercial production or five years from the Debenture closing date. The conversion to the Royalty is at Sprott's sole discretion. Paramount may elect to repay the Debenture by providing 20 business day written notice, in cash only and in whole prior to its maturity at a price equal to the sum of the principal amount plus all accrued and unpaid interest plus a prepayment interest premium of equal to 36 months of interest less interest paid prior to the date of prepayment. Upon a sale of the Sleeper Gold Project, Sprott can elect to have a portion of the Debenture repaid with proceeds from the sale. In the event of default, the debenture will accrue interest at 13% per annum. In connection with the issuance of the Debenture, the Company incurred \$870,111 of debt issuance costs which will be reflected as a discount on the Debenture. Unamortized debt issuance costs will be amortized over the five year term of the Debenture and recorded as an interest expense in the Condensed Consolidated Interim Statement of Operations.

If the Royalty is issued, Paramount has the option to buy back 50% of the Royalty by paying either \$11.25 million on the second (2nd) anniversary of the Royalty or \$12.375 million on the third (3rd) anniversary. The Company's obligations under the Debenture are secured by a pledge of the assets of the Company and its subsidiaries, including without limitation by deeds of trust with respect to the Grassy Mountain project and the Company's Nevada property, Sleeper. The Company is required to maintain a positive cash balance at all times and shall maintain a positive adjusted working capital amount at the end of each fiscal quarter commencing with the fiscal quarter March 31, 2024. At December 31, 2024, Paramount was in compliance with these loan covenants.

The Company has accounted for the Royalty Conversion Option and related Buyback Provision as an embedded derivative in accordance with ASC 815 and recorded the derivative as a separate liability at fair value. The fair value of the derivative was \$3,806,160 at December 31, 2024 and \$3,642,105 at June 30, 2024 (Note 3).

At December 31, 2024 and June 30, 2024, the Debenture consisted of the following:

	December 31, 2024	June 30, 2024
Debt liability of royalty convertible debenture before issuance costs	\$ 12,239,622	\$ 12,239,622
Less: unamortized issuance costs	(696,088)	(783,099)
Net debt liability of royalty convertible debenture	11,543,534	11,456,523
Derivative liability of royalty convertible debenture	3,806,160	3,642,105
	<u>\$ 15,349,694</u>	<u>\$ 15,098,628</u>

In connection with the Debenture, Paramount and Calico entered into a Mining Right of First Refusal Option to Purchase Agreement (the "ROFR") in favor of Sprott. Pursuant to the ROFR, we have granted to Sprott the right of first refusal with respect to any proposed grant, sale or issuance to any third party of a stream, royalty or similar interest (a "Mineral Interest") based on or with reference to future production from the proposed Grassy Mountain gold and silver mine. If the cash equivalent value (with the value of any non-cash consideration of any third party offer (the "Third Party Consideration") exceeds \$60,000,000 then Sprott shall have the right to buy a percentage interest of the Mineral Interest equal to the percentage that \$60,000,000 is to the Third Party Consideration (the "Proportionate Mineral Interest"). If the Third Party Consideration equals or is less than \$60,000,000, Sprott shall have the right to buy the entire Mineral Interest subject to such third party offer.

The ROFR shall terminate on the date which is the earlier of (i) the seventh (7th) anniversary of the ROFR; (ii) the closing of one or more purchase transactions between us and Sprott in respect of Mineral Interests for an aggregate purchase price of \$60,000,000 upon the exercise by Sprott of its rights pursuant to the ROFR; and (iii) the closing of a purchase transaction between us and third party in respect of a Mineral Interest for a purchase price in excess of \$60,000,000 where Sprott does not exercise its right of first refusal pursuant to the ROFR.

Interest Expense

The following table summarizes the components of recorded interest expense:

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Six Months Ended December 31, 2024	Six Months Ended December 31, 2023
Royalty Convertible Debenture	\$ 383,334	\$ 16,667	\$ 766,668	\$ 16,667
2019 Secured Convertible Notes ⁽¹⁾	—	119,139	—	200,236
Bridge Promissory Note ⁽²⁾	—	43,066	—	88,436
Amortization of issuance costs on Royalty Convertible Debenture	43,506	—	87,012	—
Amortization of discount and debt issuance costs on 2019 Secured Convertible Notes	—	—	—	4,862
Total	\$ 426,840	\$ 178,872	\$ 853,680	\$ 310,201

(1) The 2019 Secured Convertible Notes ("2019 Note") were repaid in December 2023. The 2019 Notes bore an interest rate of 7.5% per annum.

(2) The Bridge Promissory Note ("Bridge Note") was repaid in December 2023. The Bridge Note bore an interest rate of 12% per annum.

Note 7. Mineral Properties

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

	December 31, 2024	June 30, 2024
Sleeper and other Nevada based Projects	\$ 25,783,685	\$ 25,733,685
Grassy Mountain and other Oregon based Projects	23,335,728	23,335,728
Total	\$ 49,119,413	\$ 49,069,413

Sleeper:

Sleeper is located in Humboldt County, Nevada, approximately 26 miles northwest of the town of Winnemucca.

Grassy Mountain:

The Grassy Mountain Project is located in Malheur County, Oregon, approximately 22 miles south of Vale, Oregon, and roughly 70 miles west of Boise, Idaho.

Other Nevada Based Projects:

During the three month period ended December 31, 2024, the Company made a payment to Nevada Select in the amount of \$50,000 under its option agreement to purchase the Bald Peak claims.

Impairment of Mineral Properties

The Company reviews and evaluates its long-lived assets for impairment on an annual basis or more frequently when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. For the three and six months ended December 31, 2024, no events or changes in circumstance are believed to have impacted recoverability of the Company's long-lived assets. Accordingly, it was determined that no interim impairment was necessary.

Note 8. Reclamation and Environmental

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

The Company has posted several cash bonds as financial security to satisfy reclamation requirements. The balance of posted cash reclamation bonds at December 31, 2024 is \$546,176 (June 30, 2024 - \$546,176).

Paramount is responsible for managing the reclamation activities from the previous mine operations at the Sleeper Gold Mine as directed by the BLM and the Nevada State Department of Environmental Protection ("NDEP"). Paramount has estimated the undiscounted reclamation costs for existing disturbances at the Sleeper Gold Project required by the BLM to be \$3,822,047. These costs are expected to be incurred between the calendar years 2024 and 2060. At December 31, 2024, Paramount has also estimated undiscounted reclamation cost as required by the NDEP to be \$2,301,259. These costs are expected to be incurred between calendar years 2024 and 2041. The sum of expected costs by year are discounted using the Company's credit adjusted risk free interest rate from the time it expects to pay for the reclamation to the time it incurs the obligation. The asset retirement obligation for the Sleeper Gold Project recorded on the balance sheet is equal to the present value of the estimated reclamation costs as required by both the BLM and NDEP.

The following variables were used in the calculation for the periods ending December 31, 2024 and June 30, 2024:

	Six Months Ended December 31, 2024	Year Ended June 30, 2024
Weighted-average credit adjusted risk free rate	9.93%	9.93%
Weighted-average inflation rate	2.53%	2.53%

Changes to the Company's reclamation and environmental costs for the Sleeper Gold Mine for the six month period ended December 31, 2024 and the year ended June 30, 2024 are as follows:

	Six Months Ended December 31, 2024	Year Ended June 30, 2024
Balance at beginning of period	\$ 2,270,288	\$ 4,436,902
Accretion expense	134,174	442,234
Additions and change in estimates	—	(84,295)
Settlements	(60,000)	(2,524,553)
Balance at end of period	\$ 2,344,462	\$ 2,270,288

The balance of the reclamation and environmental obligation of \$2,344,462 at December 31, 2024 (June 30, 2024 -\$2,270,288) is comprised of a current portion of \$120,000 (June 30, 2024 -\$120,000) and a non-current portion of \$2,224,462 (June 30, 2024 - \$2,150,288).

The Company recorded an accretion expense for the three and six months ended December 31, 2024 of \$45,619 and \$134,174, respectively, (three and six months ended December 31, 2023 of \$110,558 and \$221,117, respectively).

Note 9. Other Income

The Company's other income details for the three and six months ended December 31, 2024 and 2023 were as follows:

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Six Months Ended December 31, 2024	Six Months Ended December 31, 2023
Reimbursement of reclamation costs	—	\$ 1,217,131	\$ —	\$ 1,292,933
Leasing of water rights to third party	—	—	6,217	6,095
Restitution payment	—	—	—	3,785
Total	\$ —	\$ 1,217,131	\$ 6,217	\$ 1,302,813

The proceeds the Company receives from its reclamation insurance policy for government mandated reclamation at its Sleeper Gold Project is recorded as other income. The corresponding expenses the Company incurs for performing these reclamation expenses are included in exploration costs on the Condensed Consolidated Interim Statement of Operations.

Note 10. Segmented Information

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

Expenses by material project for the three and six months ended December 31, 2024:

	Exploration and Development Expenses		Reclamation Expenses		Land Holding Costs	
	Three Months Ended December 31, 2024	Six Months Ended December 31, 2024	Three Months Ended December 31, 2024	Six Months Ended December 31, 2024	Three Months Ended December 31, 2024	Six Months Ended December 31, 2024
	Sleeper Gold Project and other Nevada based Projects	\$ 20,074	\$ 78,303	\$ 16,420	\$ 70,357	\$ 143,216
Grassy Mountain Project and other Oregon based Projects	357,038	694,107	—	—	43,173	83,150
	\$ 377,112	\$ 772,410	\$ 16,420	\$ 70,357	\$ 186,389	\$ 352,954

Expenses by material project for the three and six months ended December 31, 2023:

	Exploration and Development Expenses		Reclamation Expenses		Land Holding Costs	
	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023
	Sleeper Gold Project and other Nevada based Projects	\$ 60,140	\$ 251,009	\$ 1,469,897	\$ 2,216,593	\$ 118,765
Grassy Mountain Project and other Oregon based Projects	243,893	566,118	—	—	38,378	76,757
	\$ 304,033	\$ 817,127	\$ 1,469,897	\$ 2,216,593	\$ 157,143	\$ 314,287

Carrying values of mineral properties by material projects:

	As At December 31, 2024	As At June 30, 2024
Sleeper Gold Project and other Nevada based Projects	\$ 25,783,685	\$ 25,733,685
Grassy Mountain Project and other Oregon based Projects	23,335,728	23,335,728

Additional operating expenses incurred by the Company are treated as corporate overhead with the exception of accretion expense which is discussed in Note 8.

Note 11. Commitments and Contingencies

Other Commitments

Paramount has an agreement to acquire 44 mining claims ("Cryla Claims") covering 589 acres located immediately to the west of the proposed Grassy Mountain site from Cryla LLC. Paramount is obligated to make annual lease payments of \$60,000 per year until 2033 with an option to purchase the Cryla Claims for \$560,000 at any time. The term of the agreement is 25 years and commenced in 2018. In the event Paramount exercises its option to acquire the Cryla Claims, all annual payments shall be credited against a production royalty that will be based on a prevailing price of the metals produced from the Cryla Claims. The royalty rate ranges between 2% and 4% based on the daily price of gold. The agreement with Cryla can be terminated by Paramount at any time. All lease payments under the agreement are up-to-date and no other payments were made during the six months ended December 31, 2024. The Cryla Claims are without known mineral reserves and there is no current exploratory work being performed.

Paramount has an agreement with Nevada Select Royalty to purchase 100% of the Frost Project, which consists of 40 mining claims located approximately 12 miles west of its Grassy Mountain Project. A total consideration of \$250,000 payable to Nevada Select will be based on certain events over time. Nevada Select will retain a 2% NSR on the Frost Claims and Paramount has the right to reduce the NSR to 1% for a payment of \$1 million. For the six months ended December 31, 2024, all required payments under the agreement are up-to-date. The Frost Claims are without known mineral reserves.

The Company has an agreement with Nevada Select to purchase the Bald Peak mining claims in the States of Nevada and California for a total consideration of \$300,000. Payments under the agreement will be based on achieving certain events over time. Upon signing the agreement Paramount made a payment to Nevada Select of \$20,000. During the three month period ended December 31, 2024, a payment was made to Nevada Select for \$50,000 under the terms of the agreement. All payments under the agreement are up to date as of December 31, 2024. The Bald Peak Claims are without known mineral reserves.

Seabridge Gold Inc. ("Seabridge") holds a Net Profit Interest ("NPI") put option in which during the 30-day period immediately following the day that the Company has delivered notice to Seabridge that a positive production decision has been made and construction financing has been secured with respect to the Grassy Mountain Project, Seabridge may cause the Company to purchase the NPI for CDN\$10,000,000. If Seabridge exercises the right to cause the Company to purchase the NPI, the Company would likely need to seek additional equity or other financing to fund the purchase, which financing may not be available to the Company on favorable terms or at all. As of December 31, 2024, Seabridge holds approximately 4.4% of the outstanding common stock of the Company and three members of Paramount's board of directors are either officers or directors of Seabridge.

Note 12. Subsequent Events

Subsequent to the period end the Company settled 140,000 RSUs and issued 140,000 shares of Common Stock. It also sold 40,914 shares on the ATM for net proceeds of \$15,955.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements in this Quarterly Report on Form 10-Q ("Form 10-Q") constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give the Company's current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "plan," and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are based on the Company's current plans, and the Company's actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this quarterly report may turn out to be inaccurate. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Form 10-Q, and in the risk factors on Form 10-K that was filed with the U.S. Securities and Exchange Commission ("SEC") on September 26, 2024. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Cautionary Note to U.S. Investors

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws, and as a result we report our mineral reserves and mineral resources according to two different standards. U.S. reporting requirements, for disclosure of mineral properties, are governed by Item 1300 of Regulation S-K ("S-K 1300"), as issued by the SEC. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), as adopted from the definitions provided by the Canadian Institute of Mining, Metallurgy and Petroleum. Both sets of reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but the standards embody slightly different approaches and definitions.

In our public filings in the U.S. and Canada and in certain other announcements not filed with the SEC, we disclose proven and probable reserves and measured, indicated and inferred resources, each as defined in S-K 1300. The estimation of measured resources and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves, and therefore investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into S-K 1300-compliant reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources, and therefore it cannot be assumed that all or any part of inferred resources will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of inferred resources exist, or that they can be mined legally or economically.

Overview

We are a company engaged in the business of acquiring, exploring and developing precious metal projects in the United States of America. Paramount owns advanced stage exploration projects in the states of Nevada and Oregon. We enhance the value of our projects by implementing exploration and engineering programs that have the goal to expand and upgrade known mineralized material to reserves. The following discussion updates our outlook and plan of operations for the foreseeable future. It also analyzes our financial condition and summarizes the results of our operations for the three and six months ended December 31, 2024 and compares these results to the results of the prior year three and six months ended December 31, 2023.

Operating Highlights:

For the three and six months ended December 31, 2024, the Company highlights include:

- The State of Oregon's Technical Review Team approved the completion of the Environmental Evaluation ("EE") for the Grassy Mountain project. The approval commenced the 225 day clock for the writing of draft permits under State law.

Outlook and Plan of Operation:

We believe that investors will gain a better understanding of the Company if they understand how we measure and disclose our results. As a development stage company, we do not generate cash flow from our operations. We recognize the importance of managing our liquidity and capital resources. We pay close attention to all cash expenses and look for ways to minimize them when possible. We ensure we have sufficient cash on hand to meet our annual land holding costs as the maintenance of mining claims and leases are essential to preserve the value of our mineral property assets.

Comparison of Operating Results for the six months ended December 31, 2024 and 2023

We did not earn any revenue from mining operations for the six months ended December 31, 2024 and 2023.

Net Loss

Our net loss for the three months ended December 31, 2024 was \$2,031,489 compared to a net loss of \$1,574,559 in the three months ended December 31, 2023. The drivers of the increase in net loss of 29% are fully described below.

Our net loss for the six months ended December 31, 2024 was \$3,603,627 compared to a net loss of \$3,648,719 in the six months ended December 31, 2023. The drivers of the decrease in net loss of 1% are fully described below.

The Company expects to incur losses for the foreseeable future as we continue with our planned exploration and development programs.

Expenses

Exploration, Development, Reclamation and Land Holding Costs

For the three months ended December 31, 2024 and 2023, exploration expenses were \$377,112 and \$304,033, respectively. This represents an increase of 24% or \$73,079. Expenses related to our exploration or development activities are generally not comparable from period to period as activities will vary based on several factors. At Grassy Mountain, the Company continued with permitting activities with state and federal permitting agencies and these expenses totaled \$357,038. A significant amount of the expenses incurred were related to the State of Oregon completing its environmental evaluation of the proposed gold mine at Grassy Mountain. At Sleeper, expense of \$20,074 were related to general maintenance of operations and mining claims.

For the three months ended December 31, 2024 and 2023, reclamation expenses were \$16,420 and \$1,469,897, respectively. This represents a decrease of 99% or \$ 1,453,477. The decrease in reclamation expenses reflects that in the previous year comparable period the Company was conducting a one-time conversion of historical mining collection ponds to e-cell conversion ponds. This work was substantially completed in the previous fiscal year. On-going regular monitoring activities for the Sleeper Gold project continue year to year.

For the three months ended December 31, 2024 and 2023, land holding costs were \$186,389 and \$157,143, respectively. The increase in land holding costs of \$29,246 from the previous period relates to the increase in holding costs per claim enacted by the BLM commencing in September 2024.

For the six months ended December 31, 2024 and 2023, exploration expenses were \$772,410 and \$817,127, respectively. This represents a decrease of 5% or \$44,717. Expenses related to our exploration or development activities are generally not comparable from period to period as activities will vary based on several factors. At Grassy Mountain the Company continued with permitting activities with state and federal permitting agencies. These expenses totaled \$694,107. At Sleeper, the Company completed an updated TRS with expenses totaling \$78,303.

For the six months ended December 31, 2024 and 2023, reclamation expenses were \$70,357 and \$2,216,593, respectively. This represents a decrease of 97% or \$2,146,236. The decrease in reclamation expenses reflects that in the previous year comparable period the Company was conducting a one-time conversion of historical mining collection ponds to e-cell conversion ponds. This work was substantially completed in the previous fiscal year. On-going regular monitoring activities for the Sleeper Gold project continue year to year.

For the six months ended December 31, 2024 and 2023, land holding costs were \$352,954 and \$314,287, respectively. This represents an increase of 12% or \$38,667. The increase in land holding costs of \$38,667 from the previous period relates to the increase in holding costs per claim enacted by the BLM commencing in September 2024.

Salaries and Benefits

For the three month periods ended December 31, 2024 and 2023, salary and benefits were \$280,711 and \$259,194, respectively. This represents an increase of 8%. Salary and benefits are comprised of cash and equity based compensation of the Company's executive and corporate administration teams. The increase primarily reflects increases to base salaries paid to employees in the three month period ended December 31, 2024 compared to the three month period ended December 31, 2023. Included in the salary and benefits expense amount for the three months ended December 31, 2024 and 2023 was non-cash equity based compensation of \$46,077 and \$40,084, respectively.

For the six months ended December 31, 2024 and 2023, salary and benefits were \$569,191 and \$538,790, respectively. This represents an increase of 6% or \$30,401. Salary and benefits are comprised of cash and equity based compensation of the Company's executive and corporate administration teams. The increase primarily reflects increases to base salaries paid to employees in the six months ended December 31, 2024 compared to the six months ended December 31, 2023. Included in the salary and benefits expense amount for the six months ended December 31, 2024 and 2023 was non-cash equity based compensation of \$93,907 and \$103,337, respectively.

Directors' Compensation

For the three month periods ended December 31, 2024 and 2023, directors' compensation expenses were \$48,447 and \$28,951, respectively. This represents an increase of 67%. Directors' compensation consists of cash and stock-based compensation of the Company's board of directors. The increase reflects higher equity based compensation recorded in the current quarter compared to the prior year's comparable period.

For the six months ended December 31, 2024 and 2023, directors' compensation expenses were \$99,978 and \$57,984, respectively. This represents an increase of 72%. The increase reflects higher equity based compensation recorded in the current quarter compared to the prior year's comparable period.

Professional Fees and General and Administration

For the three months ended December 31, 2024 and 2023, professional fees were \$85,234 and \$98,315, respectively. This represents a decrease of \$13,081. The decrease was mainly due legal fees incurred in the previous period that were not incurred in the previous year comparable period. Professional fees include legal, audit, advisory and consultant expenses incurred on corporate and operational activities being performed by the Company on a period-by-period basis.

For the three months ended December 31, 2024 and 2023, general and administration expenses decreased by 3% to \$178,949 from \$184,727. The decrease in general and administration expenses from the previous year's comparable period was mainly due to lower travel costs.

For the six months ended December 31, 2024 and 2023, professional fees were \$257,231 and \$153,567, respectively. This represents an increase of \$103,664. The increase was mainly due to consulting fees and legal fees incurred in the current period that were not incurred in the previous year comparable period. Professional fees include legal, audit, advisory and consultant expenses incurred on corporate and operational activities being performed by the Company on a period-by-period basis.

For the six months ended December 31, 2024 and 2023, general and administration expenses increased by 14% to \$367,260 from \$321,866. The increase in general and administration expenses from the previous year's comparable period was mainly due to higher insurance costs.

Liquidity and Capital Resources

As an exploration and development company, Paramount funds its operations, reclamation activities and discretionary exploration programs with its cash on hand. At December 31, 2024, we had cash and cash equivalents of \$3,405,400 compared to \$5,423,059 as at June 30, 2024. As of December 31, 2024, we had working capital of approximately \$3,716,907. Our plans to manage our liquidity position is described below under Going Concern and Capital Resources.

In May 2020, the Company established an \$8.0 million "at the market" equity offering program with Cantor Fitzgerald & Co. ("Cantor") and Canaccord Genuity LLC to proactively increase its financial flexibility. In May 2024, the Company established a new \$7 million "at the market" offering program with Cantor and A.G.P./Alliance Global Partners. During the six months ended December 31, 2024, the Company issued shares 252,052 under the program for net proceeds of \$104,228.

The main uses of cash for the six months ended December 31, 2024 were:

- Cash used in operating activities of \$2,062,789 were mainly used to fund our permitting and exploration activities at our projects, salary and benefits costs of our employees and ongoing general and administration costs.
- Cash used in investing activities of \$59,098 for the purchase of computer equipment and purchase of mineral property.

In addition to cash used in operating and investing activities, the Company received cash during the six months ended December 31, 2024 as follows:

- Cash provided by financing activities of \$104,228 from sales under the ATM program.

Going Concern and Capital Resources

The Condensed Consolidated Financial Statements of the Company have been prepared on a "going concern" basis, which means that the continuation of the Company is presumed even though events and conditions exist that, when considered in aggregate, raise substantial doubt about the Company's ability to continue as a going concern because it is possible that the Company will be required to adversely change its current business plan or may be unable to meet its obligations as they become due within one year after the date that these financial statements were issued.

Paramount expects to continue to incur losses as a result of costs and expenses related to maintaining its properties and general and administrative expenses. Since 2015, the Company has relied on equity financings, debt financings and sale of royalties to fund its operations and the Company expects to rely on these forms of financing to fund operations into the near future.

Paramount's current business plan requires working capital to fund non-discretionary expenditures for its exploration and development activities on its mineral properties, mineral property holding costs and general and administrative expenses.

We anticipate our twelve-month cash expenditures to be as follows:

- \$4.1 million on corporate, land claim maintenance and general expenses

We anticipate our twelve-month cash discretionary exploration and development, subject to available cash on hand as follows:

- \$1.95 million on the Grassy Mountain Project state and federal permitting activities

For any interest that accrues and is owing on the outstanding Debenture, the Company expects to elect to pay the quarterly-annual interest payment in shares of its Common Stock.

Subsequent to February 12, 2025, the Company expects to fund operations as follows:

- Existing cash on hand and working capital.
- The existing ATM program with Cantor Fitzgerald & Co. and A.G.P./Alliance Global Partners
- Insurance proceeds to fund reclamation and environmental obligations at its Sleeper Gold Project.
- Equity financings or sale of royalties.

Historically, we have been successful in accessing capital through equity and debt financing arrangements or by the sale of royalties on our mineral properties, no assurance can be given that additional financing will be available to it in amounts sufficient to meet its needs, or on terms acceptable to the Company. In the event that we are unable to obtain additional capital or financing, our operations, exploration and development activities will be significantly adversely affected. The continuation of the Company as a going concern is dependent on having sufficient capital to maintain our operations. In considering our financing plans, our current working capital position and our ability to reduce operating expenses the Company believes there is substantial doubt about its ability to continue as a going concern twelve months after the date that our financial statements are issued.

Critical Accounting Policies and Estimates

Management considers the following policies to be most critical in understanding the judgments that are involved in preparing the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows. Our financial statements are affected by the accounting policies used and the estimates and assumptions made by management during their preparation.

Management believes the Company's critical accounting policies are those related to mineral property acquisition costs, exploration and development cost, derivative accounting and foreign currency translation.

Estimates

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

Mineral property acquisition costs

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

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

Exploration expenses

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

Asset Retirement Obligation

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

Convertible debt and derivative liabilities

We account for convertible notes with conversion features in accordance with ASC 815, Derivatives and Hedging. The embedded conversion features are assessed to determine whether they meet the criteria for separate accounting as derivatives. If so, they are bifurcated and recorded at fair value with changes in fair value recognized in our Statement of Operations and the remaining value allocated to the convertible notes net the unamortized debt issuance costs. The determination of fair value involves the use of estimates, assumptions, and valuation models, including but not limited to discounted cash flow analysis and option pricing models. These estimates and assumptions may include, but are not limited to, future interest rates, volatility of gold and silver prices, and credit spreads. Changes in these inputs could result in significant adjustments to the fair value of our derivatives and may impact our financial results.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable as a smaller reporting company.

Item 4. Controls and Procedures.**(a) Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and determined that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(d) and 13d-15(d) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

Because of its inherent limitations, disclosure controls and internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation or effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended June 30, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

PART IV

Item 6. Exhibits.

(a) Index to Exhibits

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document -the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2024, has been formatted in Inline XBRL.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Paramount Gold Nevada Corp.

Date: February 12, 2025

By: **/s/ Rachel Goldman**
Rachel Goldman
Chief Executive Officer

Date: February 12, 2025

By: **/s/ Carlo Buffone**
Carlo Buffone
Chief Financial Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rachel Goldman, certify that:

- 1.I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2024 of Paramount Gold Nevada Corp.;
- 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
- 4.The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

- 5.The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 12, 2025

By:

/s/ Rachel Goldman
Rachel Goldman

Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Carlo Buffone, certify that:

- 1.I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2024 of Paramount Gold Nevada Corp.;
- 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
- 4.The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

- 5.The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 12, 2025

By:

/s/ Carlo Buffone
Carlo Buffone
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Paramount Gold Nevada Corp. (the "Company") on Form 10-Q for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1)The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2)The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 12, 2025

By:

/s/ Rachel Goldman

**Rachel Goldman
Chief Executive Officer**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Paramount Gold Nevada Corp. (the "Company") on Form 10-Q for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 12, 2025

By:

/s/ Carlo Buffone

**Carlo Buffone
Chief Financial Officer**
