## Reopening of Climax mine excites Leadville

News | April 6, 2006

**Christine Ina Casillas** 

LEADVILLE - News of the reopening of the Climax Molybdenum Mine is bringing back hope to a town that had bee somewhat lost since the initial closure more than 20 years ago. Phelps Dodge Corp., the Phoenix-based company the announced Wednesday that its board of directors approved restarting the mine."I've got my hard hat on and I'm rea work," said Leadville resident and former state Sen. Ken Chlouber, who worked as an underground crusher boss du years at the mine. "This is the greatest thing since the 1880s." Sitting 11,300 feet up Fremont Pass near the Continen Climax Molybdenum Mine has open-pit and underground mining operations. Back when the mine was open, severa and support crew members worked there. One of those people was Howard Tritz, now the Lake County assessor. To mill manager for Climax for 30 years and says he can see the benefits of the mine reopening."We've always been a n said. "Now we're going to boom again." Leadville resident Bob Elder had not worked for the mine since the '80s, sho mine closed down. And, like many others, Elder suffered the impacts from the mine's downfall. Crushed overnight. employees worked at Climax by the time the company started cutting back in late 1980."We had some extraordinar in those days," Tritz said. "Those miners were rough and tough, but they had hearts of gold, too." Then, overnight, L experienced the highest unemployment rate in the nation." Everything bad that came with that came to Leadville," ( the drug and alcohol abuse."Men and women made a decent income, "then all of a sudden it was shut off," Chlouber experienced a tremendous tax shift, Chlouber said. The mine paid for 80 percent of the property taxes. When it cle shifted over to the people with no jobs. The mine officially closed in 1995. By then, Lake County was focusing on the business. Even Chlouber, who left the mine in 1982, focused on tourism. He started the Leadville Trail 100 race, whi significantly in recent years and continues to thrive. Tourism has kept Leadville afloat, but many say they are happy industry return."It'll be a diversification for us," Elder said. "Tourism has been good for us, but we need something t and tourism industry."The pay scales could attract workers. Officials with the Phelps Dodge board of directors say drivers could make \$11 to \$15 per hour, and electricians and mechanics might make between \$15 and \$20 per hour." it," Tritz said. The reopening of the mine will bring an influx of people in town, beginning with the contractors work equipment and buildings."The old mine is not up to date with their equipment," Elder said. "So all that's going to characteristics and buildings."The old mine is not up to date with their equipment," Elder said. "So all that's going to characteristics are considered as a supplement of the constant of help us grow from a solid economic base," Chlouber added. "Hard times are in our past." No jumping for joyOthers a optimistic."It's not going to be as wonderful as the old mine," said former Leadville Mayor Chet Gaede. "It's not a qu joy." Motels, bars and restaurants might experience a flush in business during the construction phase of the project. to last until about 2009, but the production of the mine might not bring in the economic tax base needed to revive will not get direct tax benefits from the mine because "technically the mine is not in the city," Gaede said."I'm not si long-term sales benefits to the city," Gaede said. The reopening of the mine could bring in more than 300 jobs, but ( who is going to get those 300 jobs." If we get 300 new people to work at the mine, how many of them are going to c Leadville?" Gaede said. "And how many of them would have families?" The new employees might choose to live in st counties and send their children to those schools closer to home, Gaede said. If the former workers at the mine ret homes will be built because the old miners already live in town. Gaede said "The construction phase might have a b



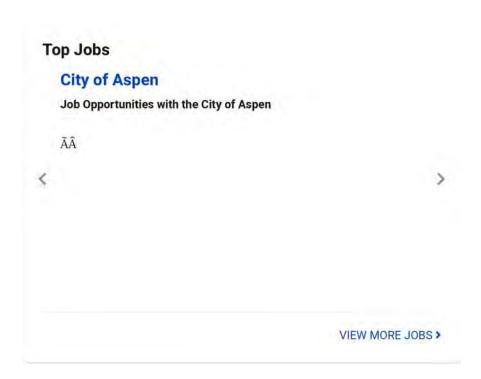




completion of a feasibility study."A pre-feasibility study indicates that the open-pit mine could produce 20 million 1 pounds of molybdenum annually. Senior Climax supervisor Gordon Stinnett said the feasibility study needs approv takes place. No new jobs would be available for at least a year, Stinnett said. Assuming favorable market conditions a of permits, the company intends to have the mine in production by the end of 2009. "It's part of our past and our fur of our past, present and future," Chlouber said.

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## Leadville's Climax mine reopening delayed

News | November 10, 2008

The Associated PressAspen, CO Colorado



Eric Drummond/Summit Daily Plans to resume operations at the Climax mine near Leadville, Colo. have been put on hold.

ALL |

DENVER, Freeport-McMoran Copper & Gold Inc. said Monday it would cut molybdenum production and lay off 14 | force at a Colorado mine, citing a 60 percent drop in price and slowing global economic conditions. The world's larg copper producer also said it would delay the long-planned restart of a molybdenum mine near Leadville, Colo., and molybdenum produced as a byproduct at its other mines. About 100 full-time workers at the Henderson mine west laid off as a result of the changes but no information was available about when that would occur, company spokesn said. The mine had 700 employees, all non-union, at the start of the month. Contractors also will be affected althou no details about how that would take effect. Molybdenum, a metal used in strengthening steel and some chemical be enjoyed a strong market recently but the price has fallen significantly due to slowing global demand, the credit cristinancial markets, Phoenix-based Freeport-McMoRan said. The price averaged \$30 a pound last year and about \$33 nine months of the year. However, since mid-October, the price has fallen from \$30 a pound to \$12 a pound as of M company said, citing the Metals Week Molybdenum Dealer Oxide price. Argus Research analyst Bill Selesky said the a ripple effect of slowdowns in the steel industry. "All of it is in response to the global economic slowdown based or said. The company likely will see an impact on earnings from the announcement, Selesky said. The 25 percent produ about 10 million pounds at the Henderson underground mine near Empire, about 40 miles west of Denver. The Clir had been expected to begin operations in 2010, will be put on hold. In a statement, the company said it expects to r







#### **NEWS > ENVIRONMENT**

# Clear Creek rejects "devastating" tax proposal by Henderson Mine owner



EMPIRE, CO - NOVEMBER 24: This is the exterior of the Henderson Mine near Empire, Colorado on November 24, 2015. The mine will be closing soon and could adversely affect the economy of many small communities in Clear Creek County. (Photo by Helen H. Richardson/The Denver Post)

By JESSE PAUL | jpaul@denverpost.com | The Denver Post PUBLISHED: March 17, 2016 at 6:07 am | UPDATED: July 22, 2016 at 10:27 am

Clear Creek County has rejected an attempt by mine owners to back out of a tax averaging agreement that officials say is crucial to keep their local government afloat.

John Bryan, spokesman for the county commission, said Freeport-McMoRan proposed cutting back a 10-year balancing agreement on duties from the Henderson Mine to an annual assessment.

On Tuesday, commissioners struck down the request.

The molybdenum mine, which is near the town of Empire, is a major source of income for the 10,000-

Late last year, Freeport-McMoRan told the county that because of declining demand for molybdenum, it plans to close the mine in three to five years, much more quickly than the 10 years they had expected.

Worries are brewing that the revenue loss could effect everything from the county's sheriff's office to the local school district.

"We ran the numbers, and even if we went into a 5-year averaging, it would be pretty much devastating in terms of revenues for the county," Bryan told The Denver Post.

Eric Kinneberg, spokesman for Freeport-McMoRan, said the deterioration of the molybdenum market and the subsequent production decreases and suspended development at the mine make the 10-year averaging method "an overstated value for the property."

"We greatly value the relationship with the county over decades of business cycles and continue to evaluate all aspects of the current situation," he said.

The 10-year tax averaging plan was agreed upon in 2000 and put in place to prevent an economic meltdown felt by other Colorado communities — <u>like Leadville</u> — when their mining industries dried up.

Clear Creek County commissioners, in a letter last week to Freeport-McMoRan, said the averaging agreement has cost the county some \$40 million in revenue since it began.

Accepting an annual assessment could immediately cost the county up to another \$20 million, Bryan said.

"Consenting would be a fiscal disaster and dramatically diminish the quality of life for the people of this county," the commissioners' letter said.

Bryan said Freeport-McMoRan did not provide a direct incentive for the county to accept the proposal.

In neighboring Grand County, where ore from the Henderson Mine is milled near Kremmling, commissioners on Wednesday decided to change their 5-year tax averaging plan with Freeport-McMoRan to a 3-year one.

Edward Moyer, Grand County's interim manager, said the company was initially seeking an annual evaluation there as well before the new plan was reached.

"They've always been generous to Grand County," said Jane Tollett, a Grand County commissioner, of Freeport-McMoRan. "We look at it as a partnership. For 40 years they've provided high-paying jobs."

She explained that partners stay loyal through good years and bad, which is why they agreed to the three-year averaging agreement.

"When they recently asked for some financial relief, we said we would listen," Tollett said. "We met them halfway."

Molybdenum, which is used to harden steel, has dropped in price dramatically over the past several years with the lowering of oil costs and a slowing construction market.

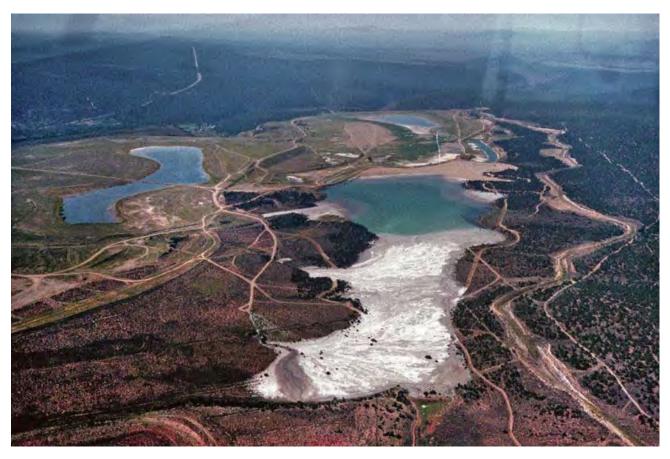
Scores of Henderson Mine workers have been laid off as a result. If the molybdenum market recovers, Freeport-McMoRan says Henderson could be further developed and stay open longer.

# SANTA FE PNEW MEXICAN

 $https://www.santafenewmexican.com/news/business/shutdown-of-molybdenum-mine-hits-questa-hard/article\_1bc7fca2-178b-5222-bee6-30c8a219ce53.html\\$ 

## Shutdown of molybdenum mine hits Questa hard

By J.R. Logan and Elizabeth Cleary
The Taos News Jun 7, 2014



The Chevron molybdenum mine near Questa. New Mexican file photo

TAOS — David Trujillo was in the front row when his bosses broke the news to a roomful of miners last week that the Questa mine would be shutting down for good.

"I saw the dismay, the hurt in people's faces. The worry," Trujillo told *The Taos News*. "When it hit, it was just like a big rock."

California-based Chevron Mining said it is permanently closing the molybdenum mine, citing low

market prices for the metallic element used to harden steel and the mine's increasing operating costs. About 300 employees were laid off.

The announcement has left many to wonder about the economic effects across Taos County.

Trujillo, 58, was an equipment operator at the mine for more than 25 years. He is best known under his radio code: "44-Dave." Like his co-workers, Trujillo relied on the decent paycheck and good benefits the job offered. To be suddenly hit with the words "permanently closed" was hard to stomach.

"It's going to be tough on this little town," Trujillo said. "That mine bought my homes. It bought my vehicles. It raised my family. It helped my family raise their families. It has an impact on everybody."

The community has felt the industry's boom-and-bust life cycle before. The mine had layoffs in 1971, 1973, 1986, 1992. Most recently, Chevron Mining laid off 227 workers in 2009 after the price of molybdenum plummeted. The mine has since curtailed ore extraction and had been in a holding pattern waiting for the market to rebound.

But as more lucrative mines in South America and Asia come online, competition has been increasing, and officials say the Questa mine has become virtually obsolete.

Questa miners have heard the words "permanent closure" before. In 1992, then-owner Molycorp closed the mine when prices bottomed out. The underground mine flooded, and many believed the operation was dead. But a few years later, the price came back and the mine went back into production.

But David Partridge, president and CEO of Chevron Mining, was adamant last week that this bust would be Questa's last.

While mining operations will cease, there's still a lot of work to be done. In 2011, the mine and its nearby tailings facility were declared a Superfund site by the Environmental Protection Agency. A year earlier, the agency proposed a massive cleanup plan to reduce mine-related water contamination. The total cleanup is expected to cost as much as \$800 million.

Chevron has said the EPA-mandated cleanup will continue. Even before the closure was announced, the mine planned to decommission the tailings facility west of Questa and the nine-mile pipeline that carried slurry to the tailings ponds. That work is expected to move forward as planned.

In addition, the mine says it will likely demolish or remove most mine buildings and other infrastructure. Partridge said work will probably take one to two years.

Chevron officials expect about 100 job openings in reclamation and closure to be available for former mine employees. The company already has posted about 20 positions that, at the moment, are only available to affected Questa employees.

Trujillo, who is president of the United Steelworkers local in Questa, says Chevron has so far handled the shutdown well. Officials have been straightforward and sympathetic, Trujillo says, and they're going to great lengths to help workers get back on their feet.

"I'm sure it was just as devastating for [Chevron Mining] as it was for us, because we're all a big family here," Trujillo said, adding that he understands the financial reasons behind the corporation's decision to close.

Still, a job at the mine meant a comfortable living (pay for the average worker ranged from \$18 to \$26 an hour, Trujillo said), and the shutdown has left a lot of former employees confused. "This place takes care of us, and I think that's why a lot of people are so hurt," Trujillo said. "In a sense, they sort of feel betrayed."

Trujillo said he's especially concerned for new employees who saw a future in the mine. "They were relying on this place, figuring they had 30 years down the road to pay for their home," Trujillo said. "Those are the ones I really feel for."

Under the terms announced Monday, about 170 hourly employees were sent home and will get 60 days of full pay and benefits, as required by federal law. The roughly 120 salaried employees will stay on at the mine until at least the beginning of August, said Chevron spokeswoman Margaret LeJuste.

LeJuste said severance for all employees is spelled out in existing agreements and will be paid at the start of August, though LeJuste said there are ongoing "discussions" between Chevron leadership and the union regarding employee payouts.

Tuesday morning, Trujillo and Chevron representatives were at a makeshift employee information center on the north side of Questa. About a dozen miners showed up at 10 a.m. for seminars on how to update a résumé, or to get information on training or relocation opportunities.

Laid-off workers bantered about what to do next. One young dad-to-be with a mortgage showed up early to get a jump on his job hunt. Another Questeño talked about taking his heavy machinery skills to the oil fields in West Texas. A couple joked that they were moving to Colorado to grow marijuana. One said in spite of the shutdown, he still planned to take the family to Disney World.

Beyond the obvious impact to the Questa economy, the shutdown of the mine will likely affect the culture of the region's small communities. Trujillo said the mine employed people from places like Amalia, Costilla, Eagle Nest, Peñasco and Mora.

For many, the job at the mine was the only way to stay in these rural places. As has happened during shutdowns in the past, a lot of workers and their families may have to pick up and leave to find work elsewhere. And this time, there's little hope of coming back to a job at the mine again.

In addition to being a large employer, Chevron over the years has made a number of charitable contributions to Questa's schools, libraries and public service departments. It is also a key customer for businesses such as Kit Carson Electrical Cooperative. The co-op's CEO, Luís Reyes, said Chevron generally accounts for as much as 10 percent of the utility's revenue.

Spencer Hamons with Taos Health Systems, which includes Holy Cross Hospital, said hospital officials are concerned about the long-term effects the mine's closure could have on the hospital now that many families either will be without health insurance or making do with a lower quality of health insurance.

Taos Town Manager and former deputy Taos County manager Rick Bellis said the village of Questa was already struggling financially and says the town and county will inevitably have to pick up some more slack.

Lejuste said Chevron will put \$320,000 a year for the next eight years into a fund for the village of Questa. It will give an additional \$1 million in 2015 and help the village with an economic development plan. She also said scholarships already given out to local students will be honored.

Job fairs are planned in Questa in coming weeks to give workers a chance to talk with contractors and explore options for additional job training and employment.

For Trujillo, support from the company and from the community will be key to moving forward in the shock of the shutdown. "We're very strong people, and I know we'll help each other out," he said.

Questa Mayor Mark Gallegos told *The Taos News* the mine's closure was obviously going to be hard on families and businesses in the community, but he said the cloud of a possible shutdown always hangs over the village.

"It's a tough pill to swallow," Gallegos said, "but at the same time, with the ups and downs Questa has had to go through before, it's just made our skin a little thicker."

The Taos News is a sister paper of The Santa Fe New Mexican.

U.S. • Published April 23, 2012 • Last Update January 13, 2015

## Bakken oil booms \_ and so does crime on the Plains

By | Associated Press

GLASGOW, Mont. – Drug crimes in eastern Montana have more than doubled. Assaults in Dickinson, N.D., have increased fivefold in just two years. And the once-sleepy town of Plentywood, Mont., has seen three assaults with weapons in the past few months — a prospect previously unheard of in the tiny community tucked against the Canada border.

Booming oil production has brought tens of thousands of jobs and hundreds of millions of dollars in new revenues to communities across a wide expanse of the Northern Plains. But it also has brought more crime, forcing law enforcement from the U.S. and Canada to deal with spiking offenses ranging from drug trafficking and gun crimes to prostitution.

The rural region is emerging as one of the top oil producing areas of North America. Officials say up to 30,000 more workers could descend on the Bakken oil fields of Montana, North Dakota and Saskatchewan in the next few years.

The recent kidnapping and brutal murder of Montana teacher Sherry Arnold tragically underscored the changes brought on by the rapid pace of drilling. Two men are in custody, but the case has left residents shaken and led to a huge rise in applications to carry concealed weapons in Montana and North Dakota.

In the wake of Arnold's killing in the town of Sidney, which is quickly being overtaken by the boom, federal prosecutors began a two-day retreat Monday in Glasgow for about 150 police, sheriffs, federal agents and other law enforcement to craft a common strategy to deal with rising crime.

Towns like Plentywood, population 1,600, were until recently places "you could send your kids to the pool in the summertime on their bikes and not have to worry about it," said Sheridan County Attorney Steven Howard.

"All those things are changing," he said, adding that the Arnold case "has had a chilling effect on our people."

Monday's conference already was being planned before Arnold's death, said Michael Cotter, the U.S. attorney for Montana. But Cotter said the killing illustrated the importance of close coordination among law enforcement as officials gird for more crime.

Government officials predict the boom could last another decade or more as companies tap into a reserve estimated by the U.S. Geological Survey to hold more than 4 billion barrels of crude. Oil company executives say there's even more, upwards of 20 billion barrels that will be extracted using drilling techniques that were only recently perfected.

Towns like Dickinson already have seen the negative spinoff effects from workers hoping to cash in on the boom. For many agricultural communities, including Plentywood, officials say the changes have just begun.

The situation is exacerbated by a housing shortage that is spurring the construction of sprawling "man camps" that can accommodate hundreds of out-of-state oil workers.

The suspects in Arnold's killing — 48-year-old Lester Van Waters and 22-year-old Michael Spell — allegedly traveled to

the Bakken from Colorado in search of jobs in the oil patch. Court records suggest Spell and Waters had been smoking crack cocaine and were living out of Waters' vehicle when they snatched Arnold off a Sidney street in the pre-dawn hours of Jan. 7.

Industry representatives say companies go to lengths to ensure the workers they hire won't cause trouble — either on the job or in the community.

Drug tests and background checks are standard for many companies, said Kari Cutting with North Dakota Petroleum Council. She added the lack of housing can quickly deter would-be workers who show up without a position already secured.

Cutting noted that neither Spell nor Waters was employed by the oil industry, and the two had been in the region only a short time before the alleged crime.

"We do know there are challenges," she said. "Any opportunity has challenges that need to be overcome, and we want to be part of the solution in all this."

Some law enforcement officials, including Valley County Sheriff Glen Meier, said the increase in crime has roughly tracked the increase in population, meaning the actual rate of offenses has been little changed.

"You have to put it into perspective. Ninety-nine percent of the people (working the oil fields) will be an asset to the community," he said.

Yet there are indications that communities and several Indian reservations in the Northern Plains have found themselves dealing with new types of crime more commonly associated with urban areas. Organized drug trafficking and prostitution rings top the list, officials said.

Mercer Armstrong with the Royal Canadian Mounted Police said the areas of southern Canada within the Bakken have seen a "major influx of criminality." That includes organized criminal enterprises from British Columbia moving into rural areas to establish the drug trade, he said.

The Bakken-area communities aren't the first to suffer the downsides of a boom, and Utah State University sociologist Richard Krannich said lessons can be drawn from other parts of the country where energy industry workers have come and gone.

"After the 'surprise' of rapid growth during the initial few years, most areas seemed to be reasonably successful in catching up," Krannich said.

In the U.S., federal agencies including the FBI and Bureau of Alcohol, Tobacco, Firearms and Explosives are addressing the problems in the Bakken by adding new agents and trying to share intelligence with state and local officials.

Montana and North Dakota also have more state troopers on the road, in part to address rising numbers of traffic offenses including driving while intoxicated.

Some law enforcement agencies are having trouble filling posts. Qualified applicants will pass over deputy positions that start at less than \$20 an hour to take oil field jobs that pay two to three times as much.

The result, said Tim Purdon, the U.S. attorney for North Dakota, is that police are in "100 percent reactive mode, running from call to call."

"Local departments have been squeezed to the point where they're having trouble performing proactive police works. We don't have the time," he said.



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## Drug arrests spike as Bakken oil patch booms

By MATTHEW BROWN Associated Press Oct 11, 2013

TRY 3 MONTHS FOR \$3



Oil wells are becoming commonplace across the landscape of the rich Bakken field. This well is pumping early in the morning Nov. 1, 2011, east of Sidney.

JAMES WOODCOCK/Billings Gazette



Several Montanans charged in Bakken drug case

BILLINGS – The booming Bakken oil patch that's given a major boost to U.S. energy production has emerged as a new front in the fight against drug trafficking.

Organized crime rings are popping up in the Northern Plains, with traffickers sensing opportunity in the thousands of men and women lured there by the hope of a big paycheck.

Law-enforcement officers across the region have teamed up to crack down, netting one of their most significant 3 sentenced in fake Bakken investment scheme



Feds say Mexican drug cartels operating in Bakken oil towns

Drug czar visit highlights oil patch's drug issues

Sherry Arnold murder: Defense team seeks to avoid death penalty successes this week – four arrests in North Dakota and a dozen in Montana, all but one on drug charges.

Authorities said Friday that more arrests are in the works as they unveiled an interagency partnership to combat crime in the oil patch. But with drug offenses, violence and property crimes on the upswing, they face an uphill climb to reduce the spiking crime rate.

The changes at play in once-quiet prairie communities were demonstrated this week with the shooting of an FBI agent in the small, unincorporated town of Keene, N.D. The agent, who was not seriously injured, was executing a search warrant as part of an oil patch-centered investigation, said U.S. Attorney for North Dakota Tim Purdon.

"More people equals more money equals more crime," Purdon said, adding the federal shutdown is making the situation worse.

"We're in this very, very serious fight against organized crime for control of the streets of the oil patch, and I've got about half of my employees home on furlough," he said. "We're in this fight now with one arm tied behind our back."

The law enforcement partnership announced Friday, known as Project Safe Bakken, has been at work since last year. Montana Attorney General Tim Fox said it could not be made public until arrests and indictments were made in the cases that were unsealed this week.

Police Chief Frank DiFonzo of Sidney, where a new FBI field office was opened in July, said help from outside agencies was sorely needed. He said his officers were busy simply keeping up with routine police work, and were ill equipped to confront organized crime on their own.

A parallel Bakken-focused effort in North Dakota in July

Montana lawmakers drugs on an Indian reservation in the heart of the oil patch. confront prostitution in Bakken boomtowns Authorities linked that case to a national drug trafficking ring seeking to make inroads in the Bakken. Purdon said the four arrests this week were part of the same investigation. \*\*\* In the Montana case, the government alleges that 49year-old Robert Ferrell Armstrong, aka Dr. Bob, of Moses Lake, Wash., brought in large quantities of Top federal law methamphetamine from his home state and distributed enforcement agents tour Bakken oil field them in the Bakken and elsewhere in Montana through a network of couriers. At the time of his arrest, Armstrong was wanted for failing to check in with corrections authorities in Washington state, where he has a history of drug, gun and assault charges, said Washington Corrections spokeswoman Norah West. Armstrong and several others among the 12 people Drug case highlights underside of Bakken oil arrested face federal drug conspiracy charges that carry boom potential sentences of 10 years to life in prison if they are convicted. Montana U.S. Attorney Mike Cotter said the arrests should serve as a warning to others: "If you violate the law, agents of Project Safe Bakken will find you wherever you are and hold you accountable," he said. The severity of the potential sentences in the case reflects the volume of drugs that the ring allegedly sold. Precise Bullock asks FBI to make Bakken presence quantities were not detailed in the affidavit. permanent

have not yet entered pleas.

charged 22 people with conspiracy to sell heroin and other

Armstrong and most of the other defendants pleaded not guilty during initial court appearances. Two defendants

Armstrong's public defender, Tony Gallagher, and Cotter

Leader of Bakken methtrafficking ring gets 20 years in prison said they could not discuss details of the case beyond what was in a batch of indictments unsealed Wednesday.

"Mr. Armstrong has tendered a plea of not guilty, which puts at issue each and every charge," Gallagher said.

The arrests follow increases in most major crimes since the Bakken boom began about five years ago.

A review of FBI crime reports show violent crime was up 64 percent and property crimes up 63 percent in Montana's four Bakken counties between 2009 and 2012, the period for which the most complete data was available. Counties elsewhere in the state showed a drop in crime in those years.

In an interview with the Associated Press, Montana Attorney General Fox acknowledged that law enforcement agencies have been forced to play catch-up with dramatic changes in the Bakken that few anticipated a decade ago.

But Fox stressed that the economic benefits from the boom have been substantial. More than 20,000 people have poured into eastern Montana and western North Dakota since oil production began its meteoric rise in 2008. Tens of thousands more are expected in the next several years as the boom continues.

"With the good, comes some bad," Fox said. "There's a lot to be done. I'm personally committed to making sure we address the public safety issues."

## Whitehorse housing crisis sparks potential solutions









CBC News · Posted: Jul 19, 2011 5:25 PM CT | Last Updated: July 19, 2011

Whitehorse city officials and the local First Nation are proposing ways to encourage residential development, amid mounting concerns about a severe lack of housing.

Concerns about Whitehorse's housing shortage attracted 65 people to a forum Monday night to discuss possible solutions, such as converting vacant buildings into emergency housing and making more land available for residential use.

Whitehorse city planners say they are proposing tax incentives to entice property owners to develop new housing on empty lots within the downtown area.

Under the city's proposal, eligible projects could qualify for tax rebates of:

- Up to \$10,000 for new "garden suites" built on existing residential properties.
- Up to \$50,000 for new multi-family units.
- Up to \$500,000 for major developments that are over \$1 million.

City planning manager Mike Gau said the financial incentives would offset demolition and dumping costs for some of the older buildings that could be replaced with residential properties.

"If you look at the old Boys and Girls Club behind the Qwanlin Mall, [there is] probably a significant tipping fee cost to demolish that building, but [it] could be an excellent spot for a mixed-use development," Gau told CBC News Monday.

Gau said officials are targeting 22 downtown properties under the proposed plan, including the former Canadian Tire building. The tax rebate strategy has proven to be effective in other Canadian centres, he said.

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# Man camps, Nevada style

**L.M. Sixel** | Feb. 1, 2019



People working for mining facilities have the option of staying at a men camp like this one Friday, Jan. 18, 2019, in Tonopah, Nevada.

Photo: Godofredo A. Vasquez, Houston Chronicle / Staff photographer

TONOPAH, Nev. — Halfway between the eight-hour stretch of highway that connects Las Vegas and Reno sits Tonopah, a town of 2,500 that caters to the mining industry. A big silver discovery nearly 120 years ago put Tonopah on the map. These days, the town is a refuge in the desert for miners looking for places to sleep and eat after spending long days at the nearby gold and silver mines.

The latest rush for lithium, a metal increasing in demand as the electric vehicle market grows and renewable energy producers need better and more efficient storage, has attracted even more miners to Tonopah which has one hotel, a few motels and limited single family housing.

Many of the miners live in man camps, much like the makeshift quarters that have popped up in West Texas and other remote areas of the oil patch to house the flow of oil and gas workers who follow the jobs. Some oil and gas companies use converted shipping containers to provide sleeping and living space while others retrofit prefabricated manufactured homes that are easy to put together on site and remove when the job is done.

Some man camps, however, are elaborate with movie theaters, gyms and on-site chefs.

Waiting list

In Tonopah, some of the temporary housing for miners is tucked into established neighborhoods populated by double-wide mobile homes with landscaping and porches, giving them an air of near permanence. There's also a big man camp on the edge of town that has spaces for 27 manufactured homes built like duplexes to fit 250 people. Renters can rent by the night, week or month. A week costs \$395 for a fully furnished two-bedroom unit, which includes a kitchen.

At the moment, Tonopah Hospitality Services has a four-month waiting list for units available to rent by the week or the month, said manager Sandi Whipperman.

Related: Deal to create \$1.4 billion man camp chain

"Housing is at a premium," she said.

Of the 250 residents at tidy-looking camp, only about three are women.

Some workers work two weeks on and one week off while others work seven days straight and then have three days off. Many drive in from surrounding states such as New Mexico and Arizona. When an experimental solar energy farm was under construction, would-be renters participating in the project were calling from around the globe to secure a spot.

"My phone never went off translate," said Whipperman. "I'd go from Turkish to French to German to Spanish to Chinese to English."

Boom-bust

With demand like that, you'd think the man camp would be planning to expand. But that may not be a good idea, considering the boom and bust nature of mining and the short life span of mines. Nevada is littered with abandoned mines that warn visitors to stay out. Some of old mines look as if the employees dropped their tools one day, left all the equipment behind and walked away.

Tonopah has a boom about every seven to nine years, said Whipperman, whose family has lived in Nevada since the 1930s.

"People come and go," she said, "in a flash in the pan."

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SPECIAL REPORT

# In Ontario, solutions to housing shortage elusive

Ontario and Malheur County residents struggle with hunger and high housing costs, with no long-term solutions in sight.

By Emilly Prado - Street Roots staff writer - For The Enterprise September 27, 2018 at 5:28am







Janell Young, who has a disability and is living on a fixed income, pauses outside the Next Chapter food pantry that helps her feed her family. (Photo by Celeste Noche)

ONTARIO – In the sweltering 104-degree summer heat, dozens of people cling to a bare thread of shade by the Next Chapter food pantry at First Christian Church.

Veterans, single-household seniors, housed and houseless folks, and multigenerational families alike wait for their names to be called to enter the facility, which supplies an average of 28 to 32 households with fresh and shelf-stable groceries twice a week.

Angela Flying Eagle sits on a bench with her caregiver, Adela Salinas, drinking bottled water as they await their turns to stock up at the food pantry. Flying Eagle, who moved to Ontario from Bend in 2012, said she's faced ongoing safety issues with her current apartment, including a faulty stove that her landlord fails to address.

"I am a senior. I am on Social Security, and on \$700 a month they expect me to pay the rent, all utilities, and buy food with \$37 in food stamps," she said. "But I stay there because I need a roof over my head."

When Flying Eagle mentioned the difficulty she encounters in finding transportation to nearby food pantries, Irene Hunt offered to pick her up in the used vehicle she recently acquired.

"I feel that a lot more people would benefit and be able to come get services and food when they needed it if they had a form of transportation," Hunt said. "Or maybe it could be delivered to them. Since school's been out, I've been coming about every week. I've only got two more visits because my grandkids have to eat, and it's summer."

Nora Bean, pantry manager at Next Chapter, estimates that 40 percent of all Ontario residents visit food pantries regularly. While the number of people receiving Supplemental Nutrition Assistance Program benefits (food stamps) has steadily decreased since 2013

nationwide, Malheur County saw a 4 percent rise from last year.

Community members often line up an hour before the pantry opens.

"The end of the month is always the busiest because they're toward not having any food stamps left," Bean said.

Food insecurity, a lack of viable public transit and education, and a shortage of affordable-housing options leaves Ontario lagging behind many comparable rural communities in Oregon. The clientele of the food pantry – diverse in age, ability, ethnicity and religion – reflect the culturally rich community of Ontario itself, and yet simultaneously reflect the challenges that have long plagued the region.

Set amid rich farming and ranch land at the eastern edge of Oregon, Malheur County's largest city is linked by major highways to nearby towns on both sides of the Oregon-Idaho border. Four major waterways, including the Snake River, wind across the two-state region hailed as the Treasure Valley.

On the Oregon side, the absence of a sales tax is seen as a plus for shoppers, and the county's minimum hourly wage of \$10.50 appeals to workers from Idaho, where the minimum is only \$7.25. By contrast, the Idaho side of the valley boasts far more lax landuse regulations which, along with the lower wage costs, draw businesses and encourage more commercial and housing developments.

Ontario's ties with Idaho are so strong that local television and radio programming is broadcast from the Gem State, and most of Malheur County – all but the southernmost portion – is on Mountain Time, not Pacific.





Residents wait patiently their turns at the Next Chapter food pantry in Ontario. (Photo by Celeste Noche)

#### By the numbers

Despite proximity to Idaho and its robust economy, Ontario residents and Malheur County rank among the poorest and most economically disadvantaged in the state.

Ontario also is at the crossroads of two of Malheur County's three "high poverty hotspots," the Census Bureau's label for concentrations of poor residents. East Ontario, a neighborhood within Ontario, has as the highest rate of poverty in all of Oregon.

From 2011 to 2015, 25.5 percent of the people in Malheur County were living in poverty – a rate far above the state, at 16.5 percent, and the nation, at 15.5 percent – according to a 2017 report prepared by the Department of Human Services' Office of Business Intelligence and the Office of Forecasting, Research and Analysis, part of DHS and the Oregon Health Authority.

Census figures from 2016 show 38 percent of residents of Ontario living in poverty.

And when comparing the cost of housing in rural Oregon to rural households across the country, the Oregon Office of Economic Analysis found that rural Oregonians are facing home prices 30 percent higher and rents 16 percent higher than their counterparts on average.





"We have places where people are living that, really, shouldn't be habitable and would not meet any of our program requirements. It's really hard for some of those folks to speak out and to stand up for their rights because maybe having that place to live is better than not having any place to live at all." — Barb Higinbotham, Community in Action (Photo by Celeste Noche)

#### A broken system

Like many places across Oregon, Malheur County and Ontario are experiencing a severe housing crisis. But beyond following suit with national trends in rising housing costs and stagnant wages, the county faces other difficulties.

In late spring, the Housing Authority of Malheur and Harney Counties suddenly announced that the Housing Choice Voucher Program, commonly known as Section 8, had caused the agency to enter a budgetary shortfall.

"We are experiencing a deficit in money (due to) the fact that we've had an extreme amount of people that have come in from other areas, be it Idaho or California or the East Coast, because our Section 8 housing vouchers' wait list was very, very minimal," said Kristy Rodriguez, Housing Choice Voucher Occupancy Specialist at the local housing authority. "It was only like three to six months or a year maximum wait as opposed to these higher-cost areas that are years and years to wait. Word got out, and (people) moved into our jurisdiction."

Across the United States, more than 2 million low-income households receive Section 8 rental assistance administered through the U.S. Department of Housing and Urban Development, but that's only about a quarter of all people who would be eligible for services. The average wait time for Section 8 vouchers nationwide is more than two years. In Portland, the Section 8 wait list was last open in September 2016 and is estimated to stay closed for a minimum of three years. In some cities, such as Los

Angeles, the wait time can exceed a decade, which is why Ontario's short wait list appealed to a large number of people in need.

When eligible applicants are approved for a Section 8 voucher, they are required to reside in the county granting the voucher for a minimum of one year. While on the wait list, applicants can live in a different county but must relocate to the granting jurisdiction to receive rental assistance upon approval. After one year of receiving rental assistance, Section 8 recipients may move to a different county and receive assistance from the original county for another full year.

"They (could) go back to California or go back to Boise, Idaho, if they wanted to. There was no way for us to restrict that unless we were in a shortfall status," Rodriguez said.

"A lot of our money and our vouchers have gone out to other areas where other housing authorities aren't able to pick up the bill. Now, if any families are requesting to transfer out of our jurisdiction, they may transfer only if the other housing authority is willing to issue them one of their own vouchers and actually pay for their assistance. And there's a big housing barrier now where we're not able to issue housing vouchers to anybody. That puts a damper on our current residents who are living here and are poor and are homeless."

Section 8 rental assistance allows low-income tenants to afford housing units of their choice. The amount of each Section 8 voucher depends on the applicant's income level and what's considered suitable for the local fair-market rent set by HUD based on available units.

In Malheur County, the fair-market rent of a two-bedroom apartment is \$697 per month. A household earning \$1,680 a month – the equivalent of four weeks of full-time minimum-wage work – would be expected to contribute 30 percent, or \$504, toward rent. The remaining \$193 would be paid directly to the landlord by the housing authority.

When the same income level is applied to a high-cost area, however, the amount the housing authority must pay landlords significantly increases. For example, if the same recipient moves to a two-bedroom apartment in the 91901 ZIP code of San Diego County, Calif., they would still need to contribute \$504 toward rent,

but the apartment – with a fair-market rent of \$1,590 per month – would require \$1,086 from the housing authority.

Oregon Housing and Community Services estimates the current average monthly tenant contribution at \$329 per month. An estimated 321 vouchers were in circulation last year in Malheur County.

Although people with vouchers issued prior to the April announcement are still receiving benefits as promised, the wait time has stretched from six months or less to 18 to 24 months. Rodriguez estimates that between 250 and 300 families remain on the wait list since it was closed, and many more prospective families are left unable to apply.

#### The true cost of living

Janell Young, 44, is a single mother with three sons. Her youngest children – Matthew, 11, and Brian, 10 – are in tow at the food pantry during a recent visit. Her pantry at home is full of processed, canned foods, she said, but her fridge is mostly empty.

"I get disability, \$100 in food stamps, and I don't get anything else after that. It's not enough during the summer," Young said. "The hundred dollars goes within about three days for food. We can stretch it for a week, but milk is the thing we go through the most – about a gallon a day. When these guys go to school, I still go to the food bank, so it just seems like a routine. We were hoping to get milk today."

Only one-quart cartons of shelf-stable milk are available, which Young explains will be consumed by her boys within a day. She opts for a large container of Lipton tea bags instead, since it will last much longer.

"We make chili a lot with the food bank cans. We also eat a lot of spaghetti and mac 'n' cheese. It seems like when you're poor, you have to eat a lot of carbs because that's what they give us," she said. "An orange right now would be really good. Or even an apple. Those are nice to have. Those are luxuries we don't always get."

The average monthly benefit amount for eligible individuals under Social Security Disability Insurance in 2018 is \$1,198, and those

receiving Supplemental Security Income earn a maximum of \$750 per month.

HUD considers households paying more than 30 percent of their incomes toward rent and utilities to be cost-burdened, and those paying more than 50 percent are severely cost-burdened.

In Malheur County, nearly one in four homeowners is overburdened by housing costs, according to HUD standards. Among renters, 56 percent are overburdened, and about 33 percent are severely cost-burdened.

#### When a roof isn't enough

As federal programs alone are unable to adequately support and serve the people eligible for services, nonprofits step in to provide crucial help. In Ontario, there are more than 500 registered nonprofits, but when it comes to housing issues, few stand out as prominently as Community in Action.

Since 2009, Community in Action has served thousands of lowincome residents of Malheur and Harney counties through a variety of services, including energy assistance, mortgage foreclosure prevention, down payment assistance and financial literacy.

Angie Uptmor, then housing manager at Community in Action, said the most common services sought are rental assistance and help finding housing.

"We want to keep people permanently housed," she said, "but it's tough because we only have so many dollars coming through the door, and once we spend those dollars and have told somebody we will pay (their) rent for this year or 24 months or whatever it is, we have to figure out how to do it."

Barb Higinbotham, executive director at Community in Action, was born and raised in the Ontario area.

"Part of the challenge in our area is that our housing stock is old and a lot don't meet the housing quality standards," she said. "We have places where people are living that, really, shouldn't be habitable and would not meet any of our program requirements. It's really hard for some of those folks to speak out and to stand up for their rights because maybe having that place to live is better than not having any place to live at all."

HUD has identified key aspects of housing quality to ensure all Section 8 recipients maintain access to "decent, safe and sanitary" housing. Among the requirements are sanitary facilities, proper illumination and electricity, and a safe water supply.

Each year, HUD releases Comprehensive Housing Affordability Strategy data to "demonstrate the number of households in need of housing assistance."

In Malheur County, 53 percent of renters reported experiencing at least one of four housing problems outlined by HUD. These include incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and a cost burden greater than 30 percent. More severe housing problems were reported by one in three renters.

HUD data for Malheur County also confirms that the less money a household earns, the more likely it is to experience a housing problem.

In addition to a lack of quality homes, there is a shortage of units that are affordable and available.

"New houses built in Ontario over the past several years are few, and there does not seem to be a lot of movement for building new and attainable houses," Higinbotham said. "We hope this changes."

"There's not enough stock out there, so (the landlords) can get higher rents," Uptmor said.

From 2010 to 2014, Malheur County saw a deficit of 985 affordable and available rentals for very low-income households and 805 units for extremely low-income households, according to a 2017 report from Oregon Housing and Community Services. Despite these numbers, fewer than 30 one-unit building permits were issued per year during the time span in all of Malheur County.

#### Disrupting the cycle

Uptmor and Higinbotham have observed many ongoing barriers to

housing. Among the most stark are the effects of generational and systemic poverty.

"Kids are being raised to understand poverty," Uptmor said. "That's the way they're raised, and that's the way they're going to live, but we're trying to break that cycle as best we can."

Part of breaking the cycle of poverty is creating viable pathways toward economic mobility and self-sufficiency, but for households teetering on the edge of the poverty line, earning more doesn't always add up. Going over the income-level threshold, even a few dollars per year, can mean a loss in assistance and – when compared to the additional income – a disproportionate increase in rent. For people on fixed incomes, earning more isn't an option.

"When you're on SSI, typically it means that there is a disability, which is why you can't work, so that's all the money you're ever going to make," Uptmor said. "You're getting \$740 a month, (and) you can't really afford to live. So, what happens is it keeps poor people poor and poor people living in poor conditions. I don't know how to change that, and I don't know how to fix that, but that's why we rely on Section 8 – to help people that aren't ever going to get beyond the \$740 life, and live in a decent home."

This is the first time the Section 8 wait list in Malheur and Harney counties has ever been closed long term. Neither the Housing Authority nor any nonprofit can truly be sure of what the effects will be for the counties' most vulnerable populations, but it's not a question of if, but rather how bad it's going to be.

#### **Looking forward**

Last December, the Ontario City Council approved the Housing Incentive Program, which offers a \$10,000 cash incentive for the construction of new single-family homes in Ontario. To qualify, homes must be owner-occupied, and they must be either greater than 1,600 square feet or greater than 1,350 square feet with a two-car garage and two bathrooms.

In a news release, Mayor Ron Verini said, "It is our hope that this will bring new residential growth to broaden our tax base and create a more sustainable community."

Meanwhile, a proposal to loosen restrictions on rural home construction is in the works. The Eastern Oregon Border Economic Development Board, established last year, aims to finalize the plan before Oregon's 2019 legislative session. Now, home construction permits in rural Oregon are issued only when the land being built on is greater than 80 acres in farm zones and greater than 160 acres on rangeland.

"We still want to maintain some of the really valuable things about Oregon's land-use policy," board chair Shawna Peterson told the Malheur Enterprise.

"Housing is one of the factors that plays into the makeup of the community," Higinbotham said. "We believe that a housing-first approach is necessary for families to reach stability."

#### About this story

This article is published in collaboration with Street Roots, a Portland newspaper, which is producing a Housing Rural Oregon series. Street Roots received funding from Meyer Memorial Trust's Affordable Housing Initiative to report on rural housing issues.



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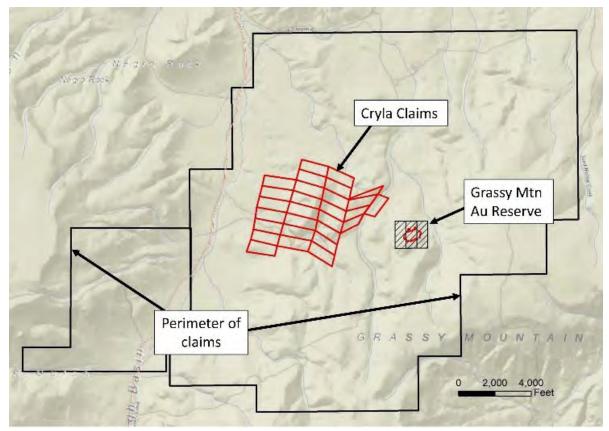
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PARAMOUNT GOLD NEVADA ACQUIRES STRATEGIC LAND PACKAGE AT ITS GRASSY MOUNTAIN GOLD PROJECT IN EASTERN OREGON

# PARAMOUNT GOLD NEVADA ACQUIRES STRATEGIC LAND PACKAGE AT ITS GRASSY MOUNTAIN GOLD PROJECT IN EASTERN OREGON

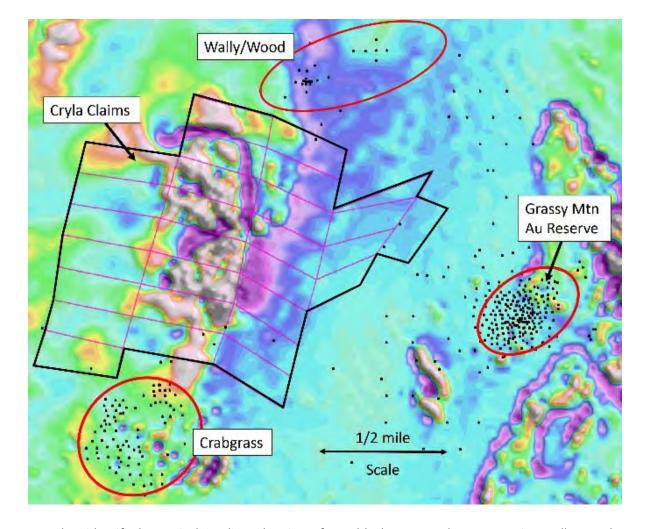
Winnemucca, Nevada – November 6, 2018 – Paramount Gold Nevada Corp. (NYSE American: PZG) ("Paramount") today announced that it has entered into a definitive agreement with Cryla LLC. ("Cryla"), giving Paramount the right to acquire a 100% interest in 44 mining claims covering approximately 580 acres located immediately to the west of the proposed Grassy Mountain Mine site and associated infrastructure. Paramount now owns or controls all of the mining claims within its ~10,000 acre Grassy Mountain land package.



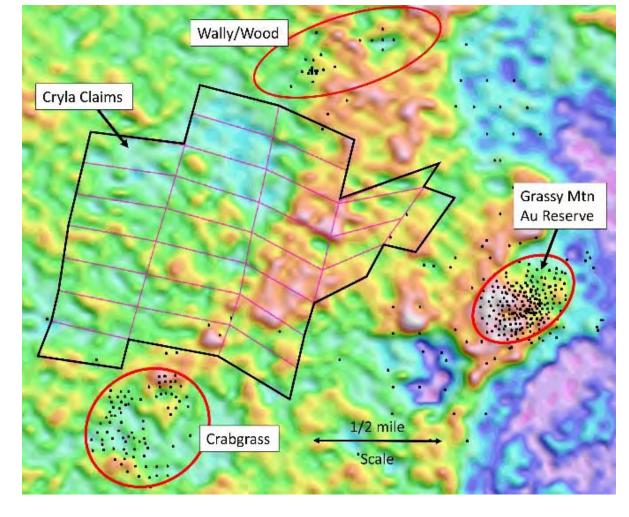
Glen Van Treek, Paramount CEO stated, "We are pleased to secure the Cryla mining claims, the only claims within our land package that we did not control. We believe these claims offer excellent exploration potential and owning them eliminates any risk of having another party control mining claims in close proximity to our proposed mine site."

The Cryla claims sit between the Wally/Wood target and the Crabgrass target, a zone with a small historical resource. Paramount's recently completed air mag and radiometric study identifies that a portion of the Cryla claims contain elevated radiometric potassium, which is analogous to the Grassy deposit itself. Radiometric potassium is interpreted to correspond to adularia sericite alteration, which is part of the alteration system associated with gold deposition at Grassy Mountain.

Additionally, a significant break in the magnetometry could correspond to a structure that lies within the Cryla claims, aligning the Crabgrass and Wally/Wood areas (see images below).



Mag data identified a Vertical Gradient showing a favorable, large NNW low, connecting Wally/Wood and CrabGrass



Elevated levels of radiometric potassium reveal an anomaly at the Grassy deposit with a similar signature on the Cryla claims (believed to represent adularia sericite alteration)

#### Highlights of the agreement:

The definitive agreement is structured as a lease to own. Paramount will make annual payments to Cryla, an Alaska corporation, which are credited against a production Net Smelter Royalty ("NSR") of 2% with a gold price less than \$1,500 per ounce and 4% with a gold price equal to or greater than \$1,500 per ounce. Following year three, Paramount has the right to purchase the claims for a payment of \$560,000 but Cryla would maintain its NSR. Paramount also has the right to reduce the NSR to 1% for a payment of \$800,000.

To stay informed of future press releases, subscribe to our E-Alerts Program (http://www.paramountnevada.com/investor-relations/) and to learn more about our projects visit the projects section of our website (http://www.paramountnevada.com/projects/).

#### About Paramount Gold Nevada Corp.

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

Paramount owns 100% of the Grassy Mountain Gold Project which consists of approximately 9,300 acres located on private and BLM (http://www.paramountnevada.com/glossary/blm/) land in Malheur County, Oregon. The Grassy Mountain Gold Project contains a gold-silver deposit (100% located on private land) for which results of a positive PFS (http://www.paramountnevada.com/glossary/pfs/) have been released and key permitting milestones accomplished (see press release dated May 24, 2018 (http://www.paramountnevada.com/paramount-gold-nevada-announces-positive-pfs-for-its-proposed-underground-mine-at-grassy-mountain-in-eastern-oregon/)). Additionally, Paramount owns a 100% interest in the Sleeper Gold Project located in Northern Nevada. The Sleeper Gold Project, which includes the former producing Sleeper mine, totals 2,322 unpatented mining claims (approximately 60 square miles or 15,500 hectares).

#### **Safe Harbor for Forward-Looking Statements**

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

Grassy Mountain project; discrepancies between actual and estimated mineral <u>reserves</u> (<a href="http://www.paramountnevada.com/glossary/reserves/">http://www.paramountnevada.com/glossary/reserves/</a>) and mineral <u>resources</u> (<a href="http://www.paramountnevada.com/glossary/resources/">http://www.paramountnevada.com/glossary/resources/</a>), between actual and estimated development and operating costs and between estimated and actual production; and the other factors described in Paramount's disclosures as filed with the SEC and the Ontario, British Columbia and Alberta Securities Commissions.

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

Paramount Gold Nevada Corp.
Glen Van Treek, President, CEO and Director

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Twitter: @ParamountNV



### Paramount Nevada

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# PARAMOUNT GOLD NEVADA ACQUIRES PROMISING HIGH GRADE GOLD PROSPECT NEAR ITS GRASSY MOUNTAIN PROJECT IN EASTERN OREGON

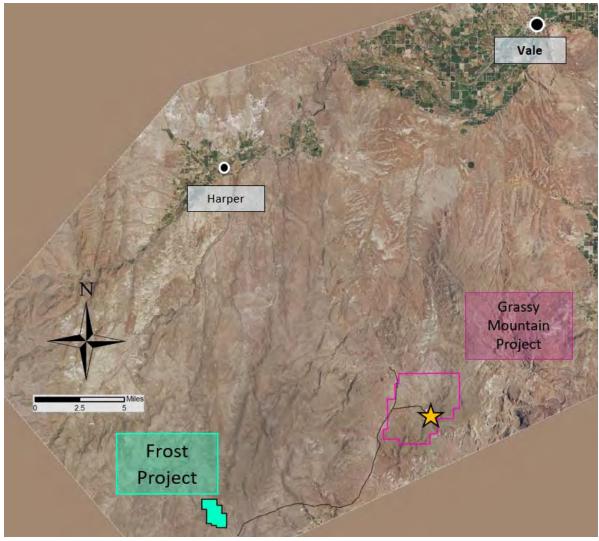
- PARAMOUNT GOLD NEVADA ACQUIRES

  PROMISING HIGH GRADE GOLD

  PROSPECT NEAR ITS GRASSY MOUNTAIN

  PROJECT IN EASTERN OREGON
  - Historical Drilling includes intercepts of up to 20 g/t gold near surface
  - Frost project 12 miles from Grassy Mountain, has similar GeologicaL signatures

**Winnemucca, Nevada – November 14, 2018 –** Paramount Gold Nevada Corp. (NYSE American: PZG) ("Paramount") today announced that it has entered into an agreement with Nevada Select Royalty ("Nevada Select"), a wholly owned subsidiary of Ely Gold Royalties, Inc. (TSX-v: ELY) (OTCQB: ELYGF) ("Ely Gold"), to purchase a 100% interest in the Frost Project ("Frost"), which totals approximately 900 acres and is located approximately 12 miles west of its 100%-own Grassy Mountain Project.



Paramount's Oregon project location map clearly identifying the Company's flagship Grassy Mountain asset and the newly acquired Frost claims

Paramount CEO, Glen Van Treek, commented: "The Frost gold occurrence is in a favourable geological setting which is strikingly similar to the Grassy Mountain Deposit and located within trucking distance to our proposed mine and mill operation. We are very encouraged by the historical drill intercepts at Frost, although it has not been systematically explored. We believe that there is excellent potential to find a deposit similar to Grassy Mountain using the expertise we have developed in the area and at other epithermal deposits."

The historical drilling conducted in 1989 through 1990 intersected very promising gold intercepts including 1.5 meters grading 20 g/T gold at a relatively shallow depth (between 18 to 93 meters). A few other examples of these historical intercepts are: 4.6 meters grading 14.5 g/T Au; 4.6 meters grading 8.0 g/T Au; and 7.6 meters grading 1.2 g/T Au.

Additionally, as part of its due diligence process, Paramount extended the Grassy Mountain helicopter magnetic and radiometric surveys over the entire Frost Project (See October 2, 2018 (http://www.paramountnevada.com/paramount-gold-commences-exploration-program-at-its-grassy-mountain-gold-project-in-eastern-oregon/) news release).

"Data from the recently completed magnetic survey reveals a large magnetic low. This suggests the existence of a favourable structural corridor which could have transported precious metal-bearing fluids. The historic drill holes yielding high grade (http://www.paramountnevada.com/glossary

<u>/grade/)</u> gold intercepts correlate with this magnetic low and represent an excellent drill target that we expect to include in our 2019 exploration program. If an economic deposit is found at Frost, we expect to truck the <u>ore (http://www.paramountnevada.com/glossary/ore/)</u> to the proposed Grassy Mountain Mill for processing", Van Treek added. "We see this as a potentially low-cost option to increase the life of the proposed Grassy Mountain mine."

#### **Transaction Highlights:**

- Paramount has the right to acquire a 100% interest in the Frost claims for total consideration of \$250,000 payable to Nevada Select as follows:
- \$10,000 on closing;
- \$15,000 upon the receipt of the drilling permit (the "Permit Date") from the State;
- \$25,000 one year following the Permit Date;
- \$50,000 due on each of the second and third years following the Permit Date; and
- A final payment of \$100,000 four years following the Permit Date.
- Nevada Select will retain a 2% Net Smelter Royalty ("NSR") on the Frost Claims
- Paramount has the right to reduce the NSR to 1% for a payment of \$1 million.

To stay informed of future press releases, subscribe to our E-Alerts Program (http://www.paramountnevada.com/investor-relations/) and to learn more about our projects visit the projects section of our website (http://www.paramountnevada.com/projects/).

#### About Paramount Gold Nevada Corp.

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

Paramount owns 100% of the Grassy Mountain Gold Project which consists of approximately 9,300 acres located on private and BLM (http://www.paramountnevada.com/glossary/blm/) land in Malheur County, Oregon. The Grassy Mountain Gold Project contains a gold-silver deposit (100% located on private land) for which results of a positive PFS (http://www.paramountnevada.com/glossary/pfs/) have been released and key permitting milestones accomplished (see press release dated May 24, 2018 (http://www.paramountnevada.com/paramount-gold-nevada-announces-positive-pfs-for-its-proposed-underground-mine-at-grassy-mountain-in-eastern-oregon/)). Additionally, Paramount owns a 100% interest in the Sleeper Gold Project located in Northern Nevada. The Sleeper Gold Project, which includes the former producing Sleeper mine, totals 2,322 unpatented mining claims (approximately 60 square miles or 15,500 hectares).

#### Safe Harbor for Forward-Looking Statements

This release and related documents may include "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") pursuant to applicable United States and Canadian securities laws. Paramount's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Words such as "believes," "plans,"

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

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

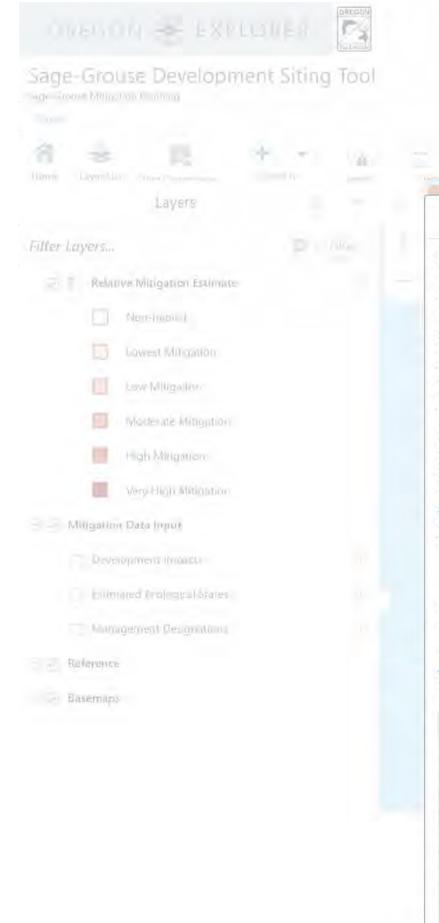
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and Alberta Securities Commissions.



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Welcome

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### Welcome to the Sage-Grouse Development Siting Tool!

The Sage-grouse Development Siting Tool is an interactive application that allows prospective developers to input project data in order to get a coarse level perspective of potential project impacts to sage-grouse and their habitats. The tool utilizes best available remotely-sensed data on existing development, vegetation condition, and other land uses to provide information to help developers site projects within and adjacent to sage-grouse habitat. Prospective developers should contact the Oregon Department of Fish & Wildlife to discuss results of the Sage-grouse Development Siting Tool and other important avoidance, minimization, and mitigation requirements contained within the Greater Sage-Grouse Conservation Strategy for Oregon (OAR 635-140). For tips on how to use this tool, see the user help document.

Full text of applicable rules for development in sage-grouse habitat can be found here:

- DLCD Goal 5 Greater Sage-grouse rule
- ODFW Greater Sage-grouse mitigation rule

For information about siting considerations for other wildlife species besides sage-grouse, see the <u>COMPASS tool</u>

More information about the <u>ODFW Greater Sage-grouse mitigation</u> <u>program</u>. For questions related to these rules please contact your local ODFW District.

#### Disclaimer

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