

CALICO RESOURCES MAILS CIRCULAR SEEKING SHAREHOLDER APPROVAL OF BUSINESS COMBINATION

Vancouver, Canada – June 1, 2016 – Calico Resources Corp. (TSX-V: CKB)("Calico" or the "Company") is pleased to announce that it has filed a management information circular (the "Circular") and related proxy materials in advance of the annual and special meeting of shareholders of Calico to be held on Wednesday, June 29, 2016 at 4:00 p.m. (Vancouver time) (the "Meeting") to seek approval of, among other things, the Arrangement (as defined herein). The Circular is now being mailed to shareholders of Calico to provide them with information about Paramount Gold Nevada Corp. (NYSE MKT:PZG) ("Paramount") and the proposed Arrangement.

On March 14, 2016, Calico and Paramount entered into an arrangement agreement and announced a proposed business combination pursuant to which, among other things, Paramount will acquire all of the issued and outstanding common shares of Calico (the "Arrangement"). The Arrangement is expected to be completed by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia).

Annual and Special Meeting

The special meeting of shareholder of Calico is scheduled to be held at **4:00 p.m. (Vancouver time)** on Wednesday, June 29, 2016 at the offices of Bennett Jones LLP, Suite 2200, 1055 West Hastings Street, Vancouver, British Columbia, Canada.

At the Meeting, the shareholders of Calico will be asked, among other things, to consider and, if deemed advisable, pass a resolution approving the Arrangement (the "Arrangement Resolution"). To be effective, the Arrangement Resolution must be approved at the Meeting by at least (i) 66 ⅔% of the votes cast on the Arrangement Resolution by the shareholders of Calico present in person or represented by proxy and entitled to vote at the Meeting, and (ii) at least a majority of the votes cast on the Arrangement Resolution by the minority shareholders of Calico present in person or represented by proxy and entitled to vote at the Meeting.

Your vote is important regardless of the number of shares you own. Shareholders of Calico are encouraged to read the Circular and related proxy materials in detail. An electronic copy of the Circular and related proxy materials are available on SEDAR under the issuer profile of Calico at www.sedar.com. It is anticipated that the transaction will close in early July 2016.

Benefits of the Arrangement

The board of directors of Calico believes that the proposed transaction will unlock the considerable value in our Grassy Mountain project for the benefit of the shareholders of Calico. Paramount has a strong cash position of approximately US\$7.9 million (as at December 31, 2015), along with experienced technical and operational leadership able to take the project forward to production and the financial resources needed to complete the permitting process and a feasibility study, which our Calico team has advanced to this point. In addition, the board of directors of Calico believes that Paramount's Sleeper Gold Project will represent an excellent economic opportunity in a better metal price environment. The shareholders of Calico are also expected to benefit from Paramount's listing on the NYSE MKT. In our view, the proposed combination is synergistic, as the combined company will

have a stronger asset base than Calico or Paramount separately, offering shareholders a better opportunity for capital appreciation while also reducing administrative costs.

How to Vote

Due to essence of time, shareholders of Calico are encouraged to vote today using the internet, telephone or facsimile.

Registered shareholders of Calico may vote by:

- **proxy** returned using any of the following methods

<u>Internet</u>	–	www.investorvote.com
<u>Telephone</u>	–	1-866-732-8683
<u>Facsimile</u>	–	1-866-249-7775
<u>Mail</u>	–	Computershare Trust Company of Canada at 100 University Avenue, Proxy Department, 8 th Floor, Toronto, Ontario, Canada, M5J 2Y1
- **attending** the Meeting in person

Non-registered shareholders of Calico

Shareholders who hold shares of Calico through a bank or other intermediary will have different voting instructions and should carefully follow the voting instructions provided to them. In most cases, non-registered shareholders will receive a voting instruction form as part of the meeting materials. Non-registered shareholders are encouraged to complete, sign and return the voting instruction form in accordance with the instructions on the form.

About Calico Resources Corp.

Calico is a Canadian company engaged in the acquisition, exploration and development of mineral property interests. Calico is focused on advancing its 100%-owned Grassy Mountain Gold Project located in Malheur County, Oregon. For more information, please see the website of Calico at www.calicoresources.com.

Cautionary Note Regarding Forward-Looking Information

*This news release contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the timing and receipt of the required shareholder, court, stock exchange and regulatory approvals for the Arrangement; the timing and ability of*

Paramount and Calico to satisfy the conditions precedent to completing the Arrangement; the closing of the Arrangement.

These forward-looking statements are based on reasonable assumptions and estimates of management of Calico at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calico to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: satisfaction or waiver of all applicable conditions to closing of the Arrangement (including receipt of all necessary shareholder, court, stock exchange and regulatory approvals or consents and the absence of material changes with respect to the parties and their respective businesses, all as more particularly set forth in the arrangement agreement between Paramount and Calico dated March 14, 2016); fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties. In addition, the failure of a party to comply with the terms of the arrangement agreement between Paramount and Calico dated March 14, 2016 may result in that party being required to pay a non-completion or other fee to the other party, the result of which could have a material adverse effect on the paying party's financial position and results of operations and its ability to fund growth prospects and current operations. Although the forward-looking statements contained in this news release are based upon what management of Calico believes, or believed at the time, to be reasonable assumptions, Calico cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended.

Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Calico assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved of the information contained herein.

On behalf of the Board,

(signed) "Paul A. Parisotto"

Paul A. Parisotto
President & CEO