

**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER
PARAMOUNT GOLD AND SILVER CORP.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS
EFFECTIVE AS OF OCTOBER 1, 2010**

STATEMENT OF POLICY

This Charter specifies the scope of the responsibilities of the Nominating Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Paramount Gold and Silver Corp. (the "**Company**") and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary responsibilities of the Committee are to: (i) identify individuals qualified to become Board members; (ii) select, or recommend to the Board, director nominees for each election of directors; (iii) develop and recommend to the Board criteria for selecting qualified director candidates; and (iv) consider committee member qualifications, appointment and removal.

ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The Committee shall be comprised of three or more independent directors, all of whom shall satisfy the independence requirements pursuant to the non-employee director definition of rule 16b-3 promulgated under section 16 of the Securities Exchange Act of 1934, as amended and National Instrument 58-101 of the Canadian Securities Administrators ("**CSA**"). Notwithstanding the foregoing, if a securities regulatory authority or stock exchange, on which the Company's shares are traded, requires a greater number of directors, a majority of independent directors or exclusively independent directors, the Company's Board of Directors shall amend this charter to comply with such requirements.

The members of the Committee shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be removed or replaced by the Board. Unless a chairman is elected by the full Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Committee may, from time to time, delegate duties or responsibilities to subcommittees or to one member of the Committee.

A majority of the authorized members shall represent a quorum of the Committee and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee.

The Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder, and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the authority to retain or terminate any search firm to be used to identify director candidates and to determine and approve the terms, costs and fees for

such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist the Committee in performing its duties hereunder shall be borne by the Company.

MEETINGS

The Committee shall meet as often as it deems necessary to fulfill its responsibilities hereunder, and may meet with management or individual directors at any time it deems appropriate to discuss any matters before the Committee.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

COMMITTEE AUTHORITY AND RESPONSIBILITY

To fulfill its responsibilities and duties, the Committee shall:

- (a) Evaluate and select, or recommend to the Board, director nominees for each election of directors, except that if the Company is at any time legally required by contract or otherwise to provide any third party with the ability to nominate a director, the Committee need not evaluate or propose such nomination, unless required by contract or requested by the Board.
- (b) Determine criteria for selecting new directors, including desired board skills and attributes, and identify and actively seek individuals qualified to become directors.
- (c) Consider any nominations of director candidates validly made by stockholders.
- (d) Review and make recommendations to the Board concerning qualifications, appointment and removal of committee members.
- (e) Review and recommend to the Board any amendments to our corporate governance documents.
- (f) Review and recommend to the Board changes with respect to corporate governance issues, issues of broad social significance and the overall conduct as a responsible citizen.