

Paramount Gold Testing expansion potential of San Miguel Silver/ Gold Project

by Myles Kirk-Gushowaty

Paramount Gold Mining Corp. [PGDP-OTCBB; P6G-FSE] is a precious metals exploration company engaged in operations in Mexico and South America. The company recently earned a 70% interest in their San Miguel Project, located in Chihuahua, Mexico within the Sierra Madre Occidental gold-silver belt, and recently announced the signing of a letter of intent to acquire a 100% interest in the Cotaruse property (under their Peruvian subsidiary, Compania Minera Paramount SAC), located in the Department of Apurimac, Southern Peru.

To date, work on the San Miguel Project has totalled over 7,300 metres of drilling, with an additional 1,800 metres of trenching. The exploration has been focused on a 3.3-kilometre portion of the eight kilometres of mineralized strike. A NI 43-101 technical report has been completed by Delve Consultants LLC, establishing an inferred resource estimate (using a US \$50 cut-off/tonne) of 4.8 million metric tonnes, grading 246.6 grams silver/tonne, representing 38 million ounces of silver.

The San Miguel resource is only in the early stages of definition, with the bulk of the resource so far relating to the near surface drill results in the San Antonio and El Carman zones where assay results remain incomplete;

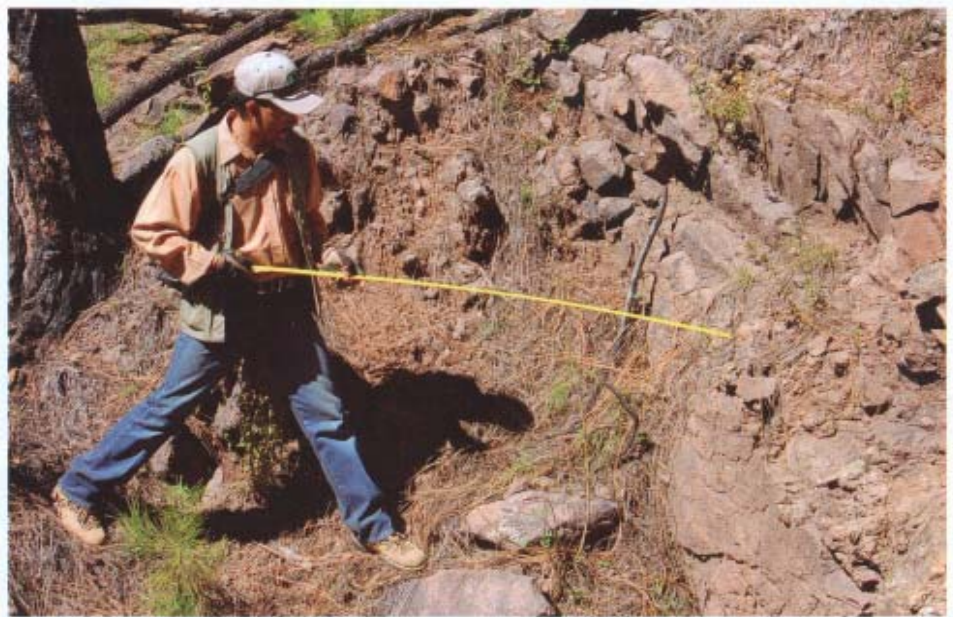
however, recent operations in the San Antonio region include drill hole SA-10, which intersected 8.25 metres (107.30 to 115.55) of 683 grams silver/tonne, and SA-13, which intersected 10.7 metres (53.0 to 63.7) of 296 grams silver/tonne. Bill Reed, Paramount's exploration manager for Mexico, says, "These drill results continue to confirm continuity and grades over substantial widths as drill holes SA-11 and SA-13 fill in about 130 metres of the 300-metre gap between step out holes SA-01 and SA-10. The mineralized system appears to be getting stronger as we step out along strike to the north...I believe we have tremendous potential to expand this discovery, not only by continuing to drill along strike, but by drill testing to depth as well."

With few of the drill holes reaching deeper than 120 metres, Paramount believes it can add to the mineral resource,

citing similar precious metal systems, (such as nearby Palmarejo, where ore shoots have persisted to depths of 300 metres and more down dip).

The resources described in the NI 43-101 report remain open along strike to the NNW and SSE, as well as to depth, leading to an aggressive drill program underway for 2007.

Paramount's acquisition of the Cotaruse property consists of a 1,000-hectare mining area, featuring highway access and an electrical grid located within five kilometres of the property. Based on a compilation of 129 samples taken in 2004 by the previous owner and 24 samples collected by Paramount, the mineralized Zone 1, (of four) produced the most promising results, with estimates for the Northeast Zone reaching 2.56% copper, 20 grams silver/tonne and 0.12 grams gold/tonne. •



Jesus Perez Quiroz, geological technician, measures the thickness of a structure in a trench in the San Antonio-El Carmen Area at the San Miguel Project. Photo courtesy Paramount Gold Corp.

