

# Paramount Gold and Silver Corp

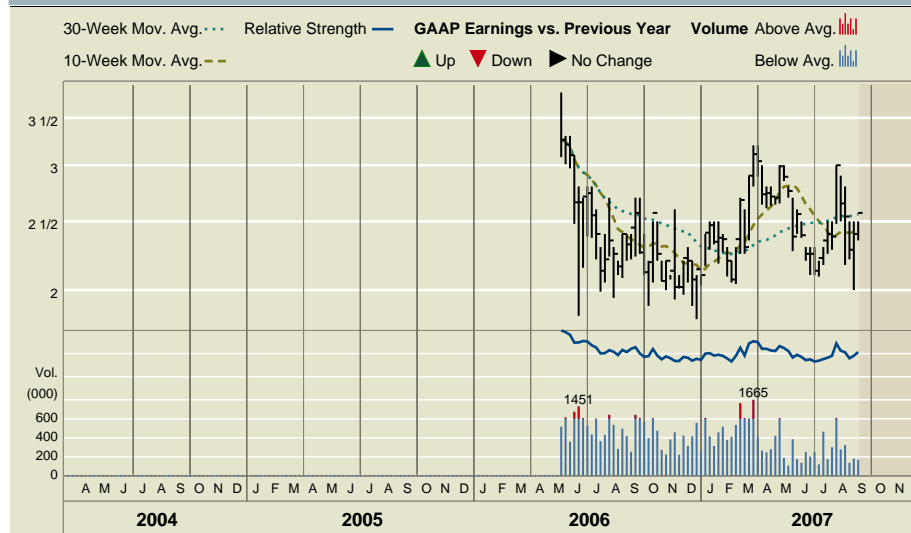
**GICS Sector** Materials  
**Sub-Industry** Precious Metals & Minerals

**Summary** This company acquires, explores, and develops gold, silver and other precious metal properties in Mexico and South America.

**Key Stock Statistics** (Source S&P, company reports, Vickers)

Price as of Sep 10, 2007	<b>\$2.69</b>	Dividend Rate/Share	<b>Nil</b>	\$10K Invested 5 Yrs Ago	<b>NA</b>	Total Shares Outstg. (M)	<b>46.4</b>
52-Wk Range	<b>\$3.25-1.82</b>	Trailing 12-Month P/E	<b>NM</b>	Beta	<b>-8.97</b>	Market Capitalization(B)	<b>\$0.125</b>
Trailing 12-Month EPS	<b>\$-0.36</b>	Tangible Book Val/Share	<b>\$0.57</b>	Yield (%)	<b>Nil</b>	Institutional Ownership (%)	<b>NA</b>

**Price Performance**



**Quantitative Evaluations**

**S&P Quality Ranking** **NR**

D	C	B-	B	B+	A-	A	A+
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**S&P Fair Value Rank** **NR**

1	2	3	4	5
LOWEST		HIGHEST		

**Fair Value Calculation** **NA**

**Insider Activity** **Neutral**

UNFAVORABLE	NEUTRAL	FAVORABLE
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**Volatility** **NA**

**Technical Evaluation** **NA**

**Relative Strength Rank** **STRONG**

93	
LOWEST = 1	HIGHEST = 99

S&P Analyst **Fred Rassi**

**Operational Review** September 10, 2007

**Income Statement Analysis & Financial Review**

The company is in the exploration stage and has not yet generated any operating revenues. For the nine months ended March 31, 2007, the company reported a pretax loss of \$12.2 million, and also a loss for last year of \$1.1 million. No income tax expenses were incurred, and for the first three quarters of FY 07 (Jun.), the net loss was \$12.2 million (\$0.36 a share), vs. a loss of \$1.1 million (\$0.04 a share) in FY 06.

In the third quarter, the net loss was \$6.3 million (\$0.16 a share), vs. a loss of \$0.7 million (\$0.02 a share) in the third quarter of FY 06.

**Key Operating Information**

As of March 31, 2007, the company had cash totaling \$19,863,136 as compared to \$465,791 as of June 30, 2006, with the increase in cash holdings being directly attributable to the completion of the March 30, 2007, \$21.8 million private placement offering of 10,398,496 units.

Long-term assets at March 31, 2007, were \$4,502,296 as compared to \$2,932,800, while fixed assets totaled \$164,634 as compared to \$42,303. Total assets as at March 31, 2007 were \$27,795,087 as compared to \$3,848,669 at June 30, 2006. The increase in fixed assets is in connection with the company's mineral properties and the

payments made in connection therewith.

The company had a working capital surplus of \$21,794,704 as of March 31, 2007, compared to \$444,320 as of June 30, 2006. As a result of the March 30, 2007 private placement, the company anticipates that it will be able to meet its currently existing ongoing contractual commitments for any property or mineral rights and have sufficient financial resources to fund ongoing exploration and geological endeavors.

**Recent Developments**

On September 5, 2007, the company's common stock commenced trading on the Toronto Stock Exchange under the symbol PZG.TO.

On August 23, 2007, the company changed its name to Paramount Gold & Silver Corp. from Paramount Gold Mining Corp.

On August 1, 2007, the company's common stock commenced trading on the American Stock Exchange under the symbol PZG.

On March 30, 2007, the company closed a \$21.8 million private placement offering of 10,398,496 units at a price of \$2.10 per unit. Each unit is comprised of one common share and one-half of one common stock purchase warrant of PZG.

**Revenue/Earnings Data**

**Revenue (Million \$)**

	1Q	2Q	3Q	4Q	Year
2007	Nil	Nil	Nil	--	--
2006	--	--	--	--	Nil
2005	--	--	--	--	--
2004	--	--	--	--	--
2003	--	--	--	--	--
2002	--	--	--	--	--

**Earnings Per Share (\$)**

2007	Nil	Nil	-0.16	--	--
2006	--	--	--	--	-0.04
2005	--	--	--	--	--
2004	--	--	--	--	--
2003	--	--	--	--	--
2002	--	--	--	--	--

Fiscal year ended Jun. 30. Next earnings report expected: NA

**Dividend Data**

No cash dividends have been paid.

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# Paramount Gold and Silver Corp

## Business Summary September 10, 2007

Paramount Gold and Silver Corp. (PZG), together with its wholly owned subsidiaries, is engaged in the acquisition, exploration, and development of gold and precious metal properties in Mexico and South America.

PZG has two projects under option: the San Miguel Groupings property in Mexico, and the Andean Gold Alliance with Teck Cominco Ltd., comprised of several properties in Argentina, Chile and Peru. PZG considers the San Miguel Groupings to be material to its overall business and financial condition.

The company has earned a 70% interest in the San Miguel Project, which is located in Chihuahua, Mexico, and lies in the Temoris mining district; part of the prolific gold-silver belt of the Sierra Madre Occidental. The project area is a few kilometers northwest of the town of Temoris and immediately northwest of the old village of Guazapares, which was founded in about 1630 by local miners. It can be accessed by vehicle and railway and has a well developed infrastructure with a recently constructed 33,000 volt power line. The Temoris mining district lies within a northwest trending belt of gold and silver deposits in the western portion of the Sierra Madre Occidental. Gold/silver mineralization in the project area occurs as quartz veins and breccias within the west-northwest and north-northwest-striking faults.

Seven significant target areas have been identified within the San Miguel Project to date, including La Union, San Jose, San Luis, San Antonio / El Carmen, La Veronica, Montecristo-Sangre de Cristo and San Miguel-Empalme. Two of these areas, San Luis (gold) and La Veronica (silver), have produced precious metals in the past.

Paramount staked the Andrea, an 86,000 hectare mining concession located in Chihuahua, Mexico between its existing San Miguel project and the Goldcorp/Glamis El Sauzal gold mine. The Andrea is in the vicinity of other concessions belonging to Palmarejo and Panoles. On May 3, 2007, Coeur d'Alene Mines acquired the Palmarejo project for approximately \$1.1 billion. This project lies 10 km from the western boundary of the San Miguel Project.

PZG has an agreement with Teck Cominco and its subsidiaries in Chile, Peru and Argentina to create the Andean Gold Alliance (AGA) with Teck Cominco Limited (Teck Cominco) and its subsidiaries in Chile, Peru and Argentina. The AGA, initially consisting of 21 properties (10 in Argentina, 7 in Chile and 4 in Peru), created a strategic alliance between Paramount and Teck Cominco for gold exploration in these three countries. Since its inception, seven additional properties have been added to the Alliance. Twenty-six properties were dropped as they were not viable, and one (Santos) was advanced to the drilling stage. The AGA also provides for a mutual Right of First Offer with respect to the divestiture of new and existing gold exploration properties over significant parts of Argentina, Chile and Peru.

Paramount has an option to acquire up to an 80% interest in over 6,000 hectares of property from Garibaldi Resources Inc. (TSX.V: GGI). The additional property surrounds Paramount's San Miguel project and adjoins Paramount's Andrea concession to the east of San Miguel.

Paramount has completed 15,000 meters of drilling, totaling 98 drill holes on the project with results pending on the last 25 of these holes. In early 2007, Paramount began a 50,000 meters drill program.

The company does not expect to generate revenues from any project in the next two years. It is not the company's objective to enter the mine management business, but rather to identify a resource that will enable it to attract a larger company to partner with, who has experience developing and managing a mine. Paramount's interest is to build its project portfolio and develop virgin projects to the feasibility stage.

On May 30, 2007, the company announced that it had drilled multiple silver intercepts, including 5,370 g/t silver across 0.40 meters. PZG most recently reported assays from its ongoing drill program at the San Miguel Project near Temoris, Chihuahua, Mexico. The following are results from four drill holes completed in the San Antonio area. Drill holes SA-25, SA-26 and SA-27 were drilled to fill in gaps in the mineralized body between drill holes SA-11 (5.4 meters of 217 g/t silver and 0.90 meters of 427 g/t silver) and SA-07 (2.3 meters of 123 g/t silver with 0.81% lead/zinc). Drill hole SA-28 was drilled 50 meters north of hole SA-07. Results from SA-28 show that the mineralized body in the San Antonio-El Carmen area continues to extend along strike to the northwest of previous drilling.

## Corporate Information

### Office

346 Waverley Street, Ottawa, ON, Canada K2P 0W5.

### Telephone

613-226-9881.

### Website

<http://www.paramountgold.com>

## Officers

### CEO

C. Crupi

### Secy

M. Clancy

### COO

L. Segerstrom

### CFO

L. Letellier

## Board of Directors

J. Carden

C. Crupi

D. Hachey

C. W. Reed

M. Y. Stinglhamber

I. Talbot

### Domicile

Delaware

### Auditor

Cinnamon Jang

Willoughby &

Company, Burnaby,

Canada

### Founded

2005

### Employees

63

### Stockholders

1,581

# Paramount Gold and Silver Corp

## Key Stock Statistics

Price as of Sep 10, 2007	<b>\$2.69</b>	Dividend Rate/Share	<b>Nil</b>	\$10K Invested 5 Yrs Ago	<b>NA</b>	Total Shares Outstg. (M)	<b>46.4</b>
52-Wk Range	<b>\$3.25-1.82</b>	Trailing 12-Month P/E	<b>NM</b>	Beta	<b>-8.97</b>	Market Capitalization(B)	<b>\$0.125</b>
Trailing 12-Month EPS	<b>\$-0.36</b>	Tangible Book Val/Share	<b>\$0.57</b>	Yield (%)	<b>Nil</b>	Institutional Ownership (%)	<b>NA</b>

## Ratio Analysis (Annual Avg.)

LTD of Capitalization (%)	Nil	NA	NA	NA
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## Expanded Ratio Analysis

	2006	2005	2004	2003
Price/Revenue	NM	NA	NA	NA
Price/EBITDA	NM	NA	NA	NA
Price/Pretax Income	NM	NA	NA	NA
Price/Net Income	NM	NA	NA	NA
Avg. Diluted Shares Outstg (M)	47.0	NA	NA	NA

Figures based on calendar year-end price

## Company Financials

Per Share Data (\$) Year Ended Jun. 30	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Tangible Book Value	0.11	NA	NA	NA	NA	NA	NA	NA	NA	NA
Cash Flow	-0.04	NA	NA	NA	NA	NA	NA	NA	NA	NA
Earnings	-0.04	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Payout Ratio	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Prices:High	3.85	NA	NA	NA	NA	NA	NA	NA	NA	NA
Prices:Low	1.82	NA	NA	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:High	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:Low	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA

## Income Statement Analysis (Million \$)

Revenue	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Operating Income	-1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA
Depreciation	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest Expense	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Pretax Income	-1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA
Effective Tax Rate	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Income	-1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA

## Balance Sheet & Other Financial Data (Million \$)

Cash	0.47	NA	NA	NA	NA	NA	NA	NA	NA	NA
Current Assets	0.87	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Assets	3.85	NA	NA	NA	NA	NA	NA	NA	NA	NA
Current Liabilities	0.43	NA	NA	NA	NA	NA	NA	NA	NA	NA
Long Term Debt	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Common Equity	3.42	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Capital	3.42	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capital Expenditures	1.50	NA	NA	NA	NA	NA	NA	NA	NA	NA
Cash Flow	-1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA
Current Ratio	2.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Long Term Debt of Capitalization	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Net Income of Revenue	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Return on Assets	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Return on Equity	NM	NA	NA	NA	NA	NA	NA	NA	NA	NA

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Paramount Gold and Silver Corp

## Sector Outlook

S&P recommends underweighting the S&P 500 Materials sector. Year to date through August 24, this sector, which represents 3.1% of the S&P 500 Index, is up 12.1% compared to a 4.3% gain for the 500. In 2006, the sector index climbed 15.7% versus a 13.6% rise for the 500. There are 13 sub-industry indices in this sector with Diversified Chemicals being the largest, at 27.4% of the sector's market value.

S&P analysts have a neutral fundamental outlook for the sector. Specifically, our outlook for the Diversified Chemicals is neutral while we remain negative on Steel. Together these two sub-industries comprise a hefty 40% of the sector. While commodity petrochemicals and plastics prices finally gained traction late in Q1 2007, feedstock costs remain high and have crimped margins. As for the Steel sub-industry, a combination of slower economic growth, along with our view of less robust demand from key end markets, should result in lower volume and a decline in spot prices. S&P analysts expect 2007 estimated EPS gains for the sector to slow to 4% from 27% in 2006. The sector trades at a P/E on estimated 2007 EPS of 15.4X, below the 15.6X for the overall market. The sector's P/E to projected five-year EPS growth rate of 1.2X is level with the market's PEG of 1.2X. This sector's S&P STARS average of 3.1 (out of 5.0) is second lowest in the S&P 500, and well below the broader market's average of 3.8.

Our technical opinion of the S&P Materials Index is positive. The group has pulled back to multiple technical supports, and held, alleviating an extreme overbought condition. The sector found support near two trendlines as well as the 43-week exponential average. The one trendline is from the top of a bullish channel that the index traded in during the last three years, and the other trendline is

from the lows since October 2005. Long-term outperformance versus the S&P 500 remains intact, despite the recent price weakness. The 14-week Relative Strength Indicator (RSI) has fallen all the way to the 40 area after hitting an extreme overbought level of 76 in June. During the entire bull market, the 14-week RSI has tended to bottom out near the 40 level during pullbacks and corrections.

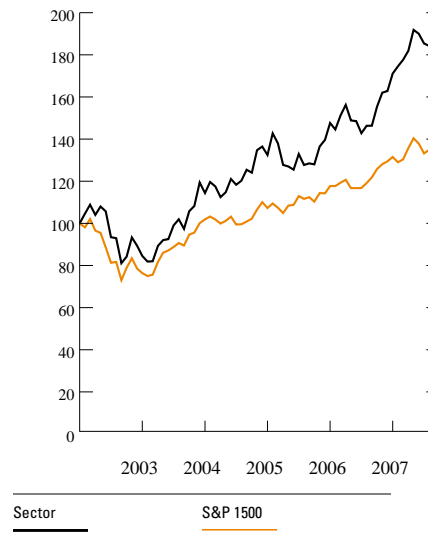
We recommend underweighting the Materials sector based on a significant profit decline driven by a likely cyclical peak in prices for many base metals, as well as higher energy feedstock costs.

-- A. Young, M. Arbeter, S. Stovall

## Stock Performance

### GICS Sector: Materials

Based on S&P 1500 Indexes  
Month-end Price Performance as of 08/31/07



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

## Sector : MaterialsMaterials Peer Group\*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price	P/E Ratio	12-Mo. Trailing EPS	30-Day Price Chg(%)	1 Year Price Chg(%)	Beta	Yield (%)	Quality Ranking	Ret. on Equity (%)	Pretax Margin (%)	LTD to Cap (%)
<b>Paramount Gold Mng</b>	<b>PZG</b>	<b>119</b>	<b>2.57</b>	<b>NM</b>	<b>-0.36</b>	<b>-14%</b>	<b>14%</b>	<b>NM</b>	<b>Nil</b>	<b>NR</b>	<b>NM</b>	<b>NM</b>	<b>Nil</b>
Archon Minerals	ACS.C	161	3.20	NM	NA	0%	-7%	NA	Nil	NR	NM	NM	Nil
Continental Precious Minerals	CZQ.C	103	2.50	NM	-0.16	4%	19%	NA	Nil	NR	NM	NM	Nil
Endeavour Silver	EXK	176	4.01	NM	-0.11	-17%	NA	NA	Nil	NR	NM	NM	Nil
Esperanza Silver	EPZ.C	76	1.89	NM	-0.04	-23%	11%	NA	Nil	NR	NM	NM	Nil
Farallon Resources	FAN.C	102	0.62	NM	-0.11	-16%	14%	NA	Nil	NR	NM	NM	Nil
First Majestic Silver	FR.C	157	3.52	NM	NA	-16%	3%	NA	Nil	NR	NM	NM	Nil
Golden Phoenix Minerals	GPXM	56	0.31	NM	-0.01	-9%	-32%	0.59	Nil	NR	NM	NM	NA
Intl Tower Hill Mines	THM	72	2.36	NM	-0.26	-14%	-11%	-1.77	Nil	NR	NM	NM	Nil
Minco Silver	MSV.C	54	1.75	NM	-0.18	-17%	NA	NA	Nil	NR	NM	NM	NA
Quaterra Resources	QTA.C	189	2.63	NM	-0.04	-14%	54%	NA	Nil	NR	NM	NM	NA
Solitario Resources	XPL	126	4.26	NM	-0.06	-23%	35%	NA	Nil	C	NM	NM	Nil
Stornoway Diamond	SWY.C	127	0.74	NM	-0.09	-19%	-32%	NA	Nil	NR	NM	NM	Nil
Tahera Diamond	TAH.C	72	0.39	NM	-0.04	-16%	-81%	NA	Nil	NR	NM	NM	15.5
U.S. Silver Corp	USA.C	146	0.78	NM	NA	-12%	NA	NA	Nil	NR	NM	NM	Nil

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

## Paramount Gold and Silver Corp

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### S&P Analyst Research Notes and other Company News

#### August 29, 2007

Paramount Gold Mining Corp. began trading under the new name Paramount Gold and Silver Corp. The company is listed on the American Stock Exchange and trades under the ticker symbol PZG.

#### August 29, 2007

Paramount Gold and Silver Corp. announced that at a meeting of the Company's Board of Directors held August 23, 2007, Lucie Letellier was appointed as new Chief Financial Officer and Michael Clancey was appointed corporate secretary of the company. Prior to her appointment as new Chief Financial Officer, since January 2006, Ms. Letellier served as company's controller, in charge of day to day accounting operations with respect to the Company's mining exploration operations. Ms. Letellier also currently serves as the controller for AmMex Gold Mining Corp. and is responsible for AmMex's accounting and financial functions. Mr. Clancy is a partner in the Ottawa office of Gowling Lafleur Henderson LLP. Mr. Clancy practices business law and has been with Gowlings since 1989.

#### August 23, 2007

Paramount Gold Mining Corp. announced that Ian Talbot has been appointed to the Board of Directors. Mr. Talbot will sit as an independent board member in accordance with US and Canadian corporate governance and securities requirements. Mr. Talbot is a lawyer and geologist with significant experience in both mining and exploration stage companies. He is the founder and CEO of Arcus Development Group Inc. He also currently serves as a director of Rimfire Minerals Corporation.

#### August 2, 2007

Paramount Gold Mining Corp. began trading on the American Stock Exchange under the ticker symbol PZG. The stock had previously traded on the OTC Bulletin Board System under the ticker symbol PGDP.

#### October 31, 2006

Oct. 27, 2006--Paramount Gold Mining Corp. (OTC Bulletin Board:PGDP) began trading on the OTC Bulletin Board System under the ticker symbol PGDP. The stock had previously traded Over The Counter.

# Paramount Gold and Silver Corp

## Glossary

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

### Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.