

PARAMOUNT GOLD & SILVER expands Mexican mineralization

Christopher Crupi, CEO, **Paramount Gold and Silver Corp.** [PZG-TSX; NYSE.A; Frankfurt: P6G, WKN: A0HGKQ], reports new diamond drilling on its 100% owned Monte Cristo target in the Palmarejo District of north-central Mexico has expanded the target's size and verified new, prospective bulk-mineable styles of gold and silver mineralization.

The Monte Cristo target is a separate area within the company's 100%-owned San Miguel Project. Results of the Monte Cristo drilling are tabled at right. True widths of the intersections are unknown due to lack of certainty as to the orientation of the structures. More drilling will be required to determine true widths.

Crupi noted that the first pass drill results above "have extended historic results on the east-west trending structures and confirmed the potential for richer deposits at depth on the north-northwest trending structures. Geologic interpretation of the core also points towards the existence of stratigraphic gold mineralization which will be targeted in the next round of drilling. Stratigraphic deposits would likely be larger and bulk mineable."

Paramount has completed 47,560 metres of diamond drilling on 213 holes and 3,743 metres of trenching at San Miguel since summer 2006. The company recently expanded its land holdings by acquiring a 100% interest in the 54,000-hectare Temoris Project from Garibaldi Resources. Paramount's land package includes most of the ground surrounding Coeur d'Alene's Trogan Project and is now over 188,460 hectares.

Since February 2007, when Paramount released its first NI 43-101 compliant resource estimate for San Miguel, resources have increased by over 250%. In November 2008, resources increased to 2,645,000 ounces of gold equivalent.

As part of the recent acquisition of Magnetic Resources Inc., Paramount also acquired title to the underlying concessions forming the Morelos gold and silver project currently optioned to Garibaldi. The Morelos property covers a historic mining area about 25 kilometres southeast of Goldcorp's El Sauzal Mine and 30 kilometers south of Mag Silver's Batopilas Project. Should Garibaldi exercise its option, Paramount would receive a \$2,000,000 cash payment in April 2010 and a 2% NSR. Paramount also acquired the 2% NSR held by Magnetic Resources over

Garibaldi's Iris Project near the Pinos Altos and Ocampo mines. The company recently closed a public offering of 16 million shares at \$1.25 per share. In addition, due to demand, the underwriters also exercised all of its over-allotment of 2.4 million shares, generating net proceeds of about \$21.7 million. Proceeds will be used to explore the San Miguel Project area and to consider acquisition of new precious metals projects.

Paramount management is currently formulating exploration plans for its past producing Vidette Lake Gold Mine northwest of Kamloops, British Columbia. ■

Hole No	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t
MC-09-04	120.5	149.5	29.0	0.69	106.1
	incl. 120.5	133.0	12.5	1.52	109.9
MC-09-05	no significant assay intervals				
MC-09-06	170.9	175.3	4.4	1.14	4.5
	187.5	223.5	36.0	0.05	52.2
MC-09-07	261.5	283.0	21.5	0.09	35.6
	295.7	298.7 TD	3.0	3.71	4.0
MC-09-08	no significant assay intervals				
MC-09-09	no significant assay intervals				
MC-09-10	236.2	240.7	4.5	0.03	36.7
MC-09-11	no significant assay intervals				