UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 5, 2009

PARAMOUNT GOLD AND SILVER CORP.
(Exact name of registrant as specified in its charter)

Delaware	001-33630	20-3690109
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

346 Waverly Street, Suite 100
Ottawa, ON Canada
K2P 0W5
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(613) 226-9881**

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act.

☑ Soliciting material pursuant to Rule 14a-12 under the Exchange Act.

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.

☐ re-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

As reported in Paramount Gold and Silver Corp.'s (the "Company") current report on Form 8-K filed July 22, 2009, on July 20, 2009, the Company entered into a binding letter agreement (the "Letter Agreement") with Klondex Mines Ltd., a British Columbia, Canada corporation ("Klondex"), with respect to a proposed plan of arrangement under the *Business Corporations Act* (British Columbia) between the two companies (the "Plan of Arrangement"). The Plan of Arrangement is subject to, among other things, court, stockholder/shareholder and regulatory approvals.

In connection with the Plan of Arrangement, on August 5, 2009 the Company entered into support agreements with two of its stockholders, FCMI Financial Corporation ("FCMI") and Garibaldi Resources Corp. ("Garibaldi") (the "Support Agreements"). Pursuant to the Support Agreements, each of FCMI and Garibaldi agree, among other things and subject to certain exceptions, to vote all of its common stock of the Company: (a) in favor of all actions in support of the Letter Agreement or any definitive agreement entered into by Paramount and Klondex with respect to the Plan of Arrangement (a "Definitive Agreement"), as the case may be, and any actions required in furtherance of the actions contemplated thereby; and (b) generally against any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Letter Agreement or Definitive Agreement, as the case may be, if such breach requires stockholder approval. Further, the Support Agreements contain certain restrictions on transfer of the securities held by FCMI and Garibaldi as set forth therein. The Support Agreements are terminable upon any termination of the Definitive Agreement in accordance with their terms, or the termination of the Letter Agreement in accordance with their terms if the parties do not enter into a Definitive Agreement, and upon certain other circumstances set forth therein.

The preceding description of the terms of the Support Agreements does not purport to be complete and is qualified in its entirety by reference to the Support Agreements themselves, copies of which have been filed herewith as Exhibits 10.1 and 10.2 and which are incorporated herein by reference.

On August 6, 2009, the Company issued a press release reporting entry into the Support Agreements. The press release is furnished as Exhibit 99.1 hereto.

Additional Information About the Plan of Arrangement and Where to Find It

In connection with the Plan of Arrangement, the Company expects to file with the U.S. Securities and Exchange Commission (the "SEC") a proxy statement, which will be sent to the stockholders of the Company seeking their approval of the Plan of Arrangement, including the approval of the issuance of the securities of the Company pursuant thereto. In addition, the Company may file other relevant documents concerning the Plan of Arrangement with the SEC. Securityholders are urged to read the proxy statement and other relevant documents when they become available because they will contain important information about the Plan of Arrangement.

Securityholders of the Company may obtain free copies of these documents through the website maintained by the SEC at http://www.sec.gov. Securityholders of the Company may also obtain free copies of these documents by directing a request by telephone or mail to Paramount Gold and Silver Corp., 346 Waverley Street, Suite 100, Ottawa, Ontario Canada K2P OW5 (telephone: (613) 226-9881) or by accessing these documents at the Company's website: www.paramountgold.com under "Investors". The information on the Company's website is not, and shall not be deemed to be, a part of this filing.

The Company and its directors, executive officers and members of management may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the Plan of Arrangement. Information about the directors and executive officers of the Company is set forth in the proxy statement for its 2009 annual meeting of stockholders filed with the SEC on January 8, 2009 and in its Form 8-K filed with the SEC on March 23, 2009. Information regarding the interests of these participants and other persons who may be deemed participants in the Plan of Arrangement may be obtained by reading the proxy statement regarding the Plan of Arrangement when it becomes available.

Safe Harbor Statement; Forward Looking Statements

Statements in this filing and the attached press release regarding the Plan of Arrangement, the approvals for the Plan of Arrangement, the expected timetable for completing the Plan of Arrangement, benefits and synergies of the Plan of Arrangement, future opportunities for the combined company, expectations regarding the value and benefits of the Plan of Arrangement and any other statements about the Company or Klondex managements' future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: the ability of the parties to consummate the Plan of Arrangement and satisfy the conditions thereunder; the ability to obtain, and the timing of, the necessary exchange, regulatory and shareholder or stockholder approvals for the Plan of Arrangement; the impact of any actions taken by any party to complicate, delay or prevent the Plan of Arrangement; the ability to realize the anticipated synergies and benefits from the Plan of Arrangement and the combined company; and the other factors described in the Company's SEC filings, including its Annual Report and Annual Information Form on Form 10-K for the year ended June 30, 2008 and its most recent quarterly reports filed with the SEC available at www.sec.gov and applicable Canadian securities regulators available at www.sedar.com and Kondex's filings with the applicable Canadian securities regulators available at www.sedar.com. Except as required by applicable law, the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Support Agreement between Paramount Gold and Silver Corp. and FCMI Financial Corporation
10.2	Support Agreement between Paramount Gold and Silver Corp. and Garibaldi Resources Corp.
99.1	Press Release dated August 6, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARAMOUNT GOLD AND SILVER CORP.

Date: August 6, 2009

By: /s/ Christopher Crupi
Christopher Crupi
President and Chief Executive Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
10.1	Support Agreement between Paramount Gold and Silver Corp. and FCMI Financial Corporation
10.2	Support Agreement between Paramount Gold and Silver Corp. and Garibaldi Resources Corp.
99.1	Press Release dated August 6, 2009

EXHIBIT 10.1

SUPPORT AGREEMENT

THIS AGREEMENT is dated as of August 5th, 2009

BETWEEN:

FCMI FINANCIAL CORPORATION, a corporation incorporated under the laws of Ontario with an office at Suite 250, BCE Place, 181 Bay Street, Toronto, Ontario, M5J 2T3

(the "**Shareholder**")

AND:

PARAMOUNT GOLD AND SILVER CORP., a corporation incorporated under the laws of Delaware with an office at Suite 346 Waverley Street, Suite 110, Ottawa, Ontario, Canada K2P 0W5

("**Paramount**")

WHEREAS:

Paramount and Klondex Mines Ltd. ("**Klondex**") have entered into a binding letter agreement (the "**Letter Agreement**") pursuant to which Paramount has agreed, subject to the terms of the Letter Agreement, to purchase all the issued and outstanding shares in the capital of Klondex by way of a statutory plan of arrangement (the "**Transaction**");

The Shareholder is the beneficial owner of the number of shares in the capital of Paramount (the "**Shares**"), options to acquire such shares, if any (the "**Options**"), and warrants to acquire such shares, if any (the "**Warrants**"), set forth on the signature page of this Agreement;

Paramount has requested that the Shareholder enter into this Agreement with respect to the Shares that are beneficially owned by the Shareholder, and with respect to the Options and Warrants (together, the "**Convertible Securities**" and, together with the Shares, the "**Securities**") that are beneficially owned by the Shareholder and the shares issuable in respect thereof; and

This Agreement sets out the terms and conditions of the agreement of the Shareholder to support the Transaction and to vote the Securities, as applicable, in favour of the Transaction.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of $1.00 paid by each of the parties hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Representations of the Shareholder.** The Shareholder represents that:

   (a) it is the registered and beneficial owner of the Shares and the Convertible Securities with good and marketable title thereto;

   (b) none of the Shares or the Convertible Securities are subject to any voting agreement (other than this Agreement) or, to the best of its knowledge, adverse claim;

   (c) it does not beneficially own any common shares in the capital of Paramount other than the Shares;

(d) it does not beneficially own any securities convertible into common shares in the capital of Paramount other than the Convertible Securities; and

(e) it has full power and authority to make, enter into and carry out the terms of this Agreement.

2. **Agreement to Vote Shares.** The Shareholder hereby agrees that at any meeting of the shareholders, optionholders or warrantholders of Paramount, however called, for the purpose of approving the Transaction, the Shareholder shall (or cause the holder of record to, if the Shareholder is the beneficial owner but not the holder of record of the Securities):

(a) vote all of the Shares and, if applicable, all of the Convertible Securities, in favour of the Transactions contemplated by the Letter Agreement or any definitive agreement entered into in respect of the Transactions (the "**Definitive Agreement**"), as the case may be and any actions required in furtherance of the actions contemplated thereby; and

(b) vote all of the Shares and, if applicable, all of the Convertible Securities, to oppose any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of Paramount under the Letter Agreement or Definitive Agreement, as the case may be if such breach requires shareholder approval; and

3. **No Proxy Solicitations.** The Shareholder will not:

(a) solicit proxies or become a participant in a solicitation in opposition to or competition with Paramount in connection with the Transaction;

(b) assist any person, entity or group in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit Paramount in connection with the Transaction; or

(c) act jointly or in concert with others with respect to voting securities of Paramount for the purpose of opposing or competing with Paramount in connection with the Transaction.

4. **Transfer and Encumbrance.** Except with the prior written consent of Paramount, which consent may be arbitrarily withheld, the Shareholder agrees not to transfer, sell or offer to transfer or sell or otherwise dispose of or encumber any of the Shares or New Shares (as defined below).

5. **Additional Purchases.** The Shareholder agrees that any common shares in the capital of Paramount purchased or as to which the Shareholder acquires beneficial ownership after the execution of this Agreement, including any shares acquired on the conversion of any of the Convertible Securities (together, the "**New Shares**") shall be subject to the terms of this Agreement to the same extent as if they constituted Shares.

6. **Termination.** Unless otherwise provided for herein, this Agreement shall terminate on the earlier of:

(a) Paramount providing written notice of termination of this Agreement to the Shareholder;

(b) the termination of the Definitive Agreement in accordance with its terms; and

(c) the termination of the Letter Agreement in accordance with its terms without Klondex and Paramount entering into a Definitive Agreement.

7. **Successors and Assigns.** This Agreement and all obligations of the Shareholder hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

8. **Entire Agreement.** This Agreement supersedes all prior agreements among the parties hereto with respect to the subject matter hereof and contains the entire agreement among the parties with respect to the subject matter

hereof. This Agreement may not be modified or waived, except expressly by an instrument in writing signed by all the parties hereto. No waiver of any provision hereof by any party shall be deemed a waiver by any other party nor shall any such waiver be deemed a continuing wavier of any matter by such party.

9. **Notice.** Any notice or other communication required or contemplated under this Agreement to be given by one party to the other shall be delivered, telecopied or mailed by prepaid registered post to the party to receive same at the undernoted address, namely:

if to the Shareholder:

FCMI Financial Corporation
Suite 250, BCE Place
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Henry Fenig
Fax Number: 416-364-0572

if to Paramount:

Paramount Gold and Silver Corp.
346 Waverley Street, Suite 110
Ottawa, Ontario, Canada
K2P 0W5

Attention: Chris Crupi
Fax Number: (613) 226-5106

Any notice delivered or telecopied shall be deemed to have been given and received on the business day next following the date of delivery or telecopying, as the case may be. Any notice mailed as aforesaid shall be deemed to have been given and received on the third business day following the date it is posted, provided that if between the time of mailing and actual receipt of the notice there shall be a mail strike, slow-down or other labour dispute which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered.

10. **Further Assurances.** Each of the parties hereto agrees to execute such further and other deeds, documents and assurances and to do such further and other acts as may be necessary to carry out the true intent and meaning of this Agreement fully and effectually.

11. **Severability.** Each of the covenants, provisions, sections, subsections and other subdivisions hereof is severable from every other covenant, provision, section, subsection and subdivision and the invalidity or unenforceability of any one or more covenants, provisions, sections, subsections and other subdivisions hereof shall not effect the validity or enforceability of the remaining covenants, provisions, sections, subsections or subdivisions hereof.

12. **Miscellaneous.**

(a) This Agreement shall be construed in accordance with the laws of British Columbia and the parties hereto agree to attorn to the jurisdiction of the courts thereof.

(b) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(c) All Section headings herein are for convenience of reference only and are not part of this Agreement and no construction or interference shall be derived there from.

(d) References to "he" and "they" shall be interpreted to include "her", "it" and other gender variations thereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

FCMI FINANCIAL CORPORATION

Witness: S. Kross

PARAMOUNT GOLD AND SILVER CORP.
per:

Authorized Signatory

12,000,000 common shares of Paramount (the "**Shares**")

__________ options of Paramount (the "**Options**")

12,000,000 warrants of Paramount (the "**Warrants**")

EXHIBIT 10.2

SUPPORT AGREEMENT

THIS AGREEMENT is dated as of August 5, 2009

BETWEEN:

GARIBALDI RESOURCES CORP., a corporation incorporated under the laws of British Columbia with an office at 301-788 Beatty Street, Vancouver, British Columbia V6B 2M1

(the "**Shareholder**")

AND:

PARAMOUNT GOLD AND SILVER CORP., a corporation incorporated under the laws of Delaware with an office at Suite 346 Waverley Street, Suite 110, Ottawa, Ontario, Canada
K2P 0W5

(**"Paramount"**)

WHEREAS:

Paramount and Klondex Mines Ltd. ("**Klondex**") have entered into a binding letter agreement (the "**Letter Agreement**") pursuant to which Paramount has agreed, subject to the terms of the Letter Agreement, to purchase all the issued and outstanding shares in the capital of Klondex by way of a statutory plan of arrangement (the "**Transaction**");

The Shareholder is the beneficial owner of the number of shares in the capital of Paramount (the "**Shares**"), set forth on the signature page of this Agreement;

Paramount has requested that the Shareholder enter into this Agreement with respect to the Shares that are beneficially owned by the Shareholder, ("**Securities**") that are beneficially owned by the Shareholder; and

This Agreement sets out the terms and conditions of the agreement of the Shareholder to support the Transaction and to vote the Securities, as applicable, in favour of the Transaction.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of $1.00 paid by each of the parties hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Representations of the Shareholder.** The Shareholder represents that:

   (a) it is the registered and beneficial owner of the Shares with good and marketable title thereto;

   (b) none of the Shares are subject to any voting agreement (other than this Agreement) or, to the best of its knowledge, adverse claim;

   (c) it does not beneficially own any common shares in the capital of Paramount other than the Shares;

   (d) it does not beneficially own any securities convertible into common shares in the capital of Paramount; and

   (e) it has full power and authority to make, enter into and carry out the terms of this Agreement.

2. **Agreement to Vote Shares.** The Shareholder hereby agrees that at any meeting of the shareholders, optionholders or warrantholders of Paramount, however called, for the purpose of approving the Transaction, the Shareholder shall (or cause the holder of record to, if the Shareholder is the beneficial owner but not the holder of record of the Securities):

(a) vote all of the Shares in favour of all actions in support of the Letter Agreement or any definitive agreement entered into in respect of the Transactions (the "**Definitive Agreement**"), as the case may be and any actions required in furtherance of the actions contemplated thereby; and

(b) vote all of the Shares to oppose any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of Paramount under the Letter Agreement or Definitive Agreement, as the case may be if such breach requires shareholder approval; and

3. **No Proxy Solicitations.** The Shareholder will not:

(a) solicit proxies or become a participant in a solicitation in opposition to or competition with Paramount in connection with the Transaction;

(b) assist any person, entity or group in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit Paramount in connection with the Transaction; or

(c) act jointly or in concert with others with respect to voting securities of Paramount for the purpose of opposing or competing with Paramount in connection with the Transaction.

4. **Transfer and Encumbrance.** Except with the prior written consent of Paramount, which consent may be arbitrarily withheld, the Shareholder agrees not to transfer, sell or offer to transfer or sell or otherwise dispose of or encumber any of the Shares or New Shares (as defined below).

5. **Additional Purchases.** The Shareholder agrees that any common shares in the capital of Paramount purchased or as to which the Shareholder acquires beneficial ownership after the execution of this Agreement, (the "**New Shares**") shall be subject to the terms of this Agreement to the same extent as if they constituted Shares.

6. **Termination.** Unless otherwise provided for herein, this Agreement shall terminate on the earlier of:

(a) Paramount providing written notice of termination of this Agreement to the Shareholder;

(b) the termination of the Definitive Agreement in accordance with its terms; and

(c) the termination of the Letter Agreement in accordance with its terms without Klondex and Paramount entering into a Definitive Agreement.

7. **Successors and Assigns.** This Agreement and all obligations of the Shareholder hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

8. **Entire Agreement.** This Agreement supersedes all prior agreements among the parties hereto with respect to the subject matter hereof and contains the entire agreement among the parties with respect to the subject matter hereof. This Agreement may not be modified or waived, except expressly by an instrument in writing signed by all the parties hereto. No waiver of any provision hereof by any party shall be deemed a waiver by any other party nor shall any such waiver be deemed a continuing wavier of any matter by such party.

9. **Notice.** Any notice or other communication required or contemplated under this Agreement to be given by one party to the other shall be delivered, telecopied or mailed by prepaid registered post to the party to receive same at the undernoted address, namely:

if to the Shareholder:

301-788 Beatty Street
Vancouver, British Columbia
V6B 2M1

Attention: Steve Regoci
Fax Number: 604 488-8871

if to Paramount:

Paramount Gold and Silver Corp.
346 Waverley Street, Suite 110
Ottawa, Ontario, Canada
K2P 0W5

Attention: Chris Crupi
Fax Number: (613) 248-4971

Any notice delivered or telecopied shall be deemed to have been given and received on the business day next following the date of delivery or telecopying, as the case may be. Any notice mailed as aforesaid shall be deemed to have been given and received on the third business day following the date it is posted, provided that if between the time of mailing and actual receipt of the notice there shall be a mail strike, slow-down or other labour dispute which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered.

10. **Further Assurances.** Each of the parties hereto agrees to execute such further and other deeds, documents and assurances and to do such further and other acts as may be necessary to carry out the true intent and meaning of this Agreement fully and effectually.

11. **Severability.** Each of the covenants, provisions, sections, subsections and other subdivisions hereof is severable from every other covenant, provision, section, subsection and subdivision and the invalidity or unenforceability of any one or more covenants, provisions, sections, subsections and other subdivisions hereof shall not effect the validity or enforceability of the remaining covenants, provisions, sections, subsections or subdivisions hereof.

12. **Miscellaneous.**

(a) This Agreement shall be construed in accordance with the laws of British Columbia and the parties hereto agree to attorn to the jurisdiction of the courts thereof.

(b) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(c) All Section headings herein are for convenience of reference only and are not part of this Agreement and no construction or interference shall be derived therefrom.

(d) References to "he" and "they" shall be interpreted to include "her", "it" and other gender variations thereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

GARIBALDI RESOURCES CORP.

[Shareholder] PRESIDENT + CEO

Witness: Tamara Kilicki

PARAMOUNT GOLD AND SILVER CORP.
per:

Authorized Signatory

6,000,000 common shares of Paramount (the "**Shares**")

0 options of Paramount (the "**Options**")

0 warrants of Paramount (the "**Warrants**")

EXHIBIT 99.1

PARAMOUNT
gold & silver

Paramount Gold and Silver Corp. Executes Agreements with Major Stockholders in Support of Klondex Transaction

Ottawa, Canada – August 6, 2009 – Paramount Gold and Silver Corp. (NYSE Amex/TSX:PZG) (Frankfurt: WKN:A0HGKQ) ("Paramount") has executed agreements with its two largest stockholders supporting the proposed transaction with Klondex Mines Ltd. (TSX:KDX; Other OTC:KLNDF) ("Klondex") representing 30,000,000 shares of common stock on a fully diluted basis, of which 18,000,000 shares of common stock are currently issued and outstanding.

Paramount and Klondex have signed a binding letter agreement (the "Letter Agreement") to combine the two companies under a plan of arrangement, in a transaction valued at approximately C$80 million (the "Transaction") based upon the closing price for Klondex's common shares on July 17, 2009. Pursuant to the Letter Agreement, each Klondex share will be exchanged for 1.45 Paramount shares, implying a purchase price of C$2.32 per Klondex share and representing a premium of 33.3% using closing share prices on the TSX on July 17, 2009, when the Paramount bid was announced.

FCMI Financial Corp. ("FCMI"), a corporation controlled by Albert D. Friedberg and Paramount's largest stockholder, has committed its 12,000,000 shares of common stock and its 12,000,000 warrants to purchase shares of common stock (exercisable commencing September 20, 2009) in support of the proposed transaction. FCMI has further indicated its financial support of a minimum of C$5,000,000 to a maximum of C$15,000,000 to fund future development programs at both the San Miguel and Fire Creek projects.

Garibaldi Resources Corp. (TSXV:GGI) has also pledged its 6,000,000 shares of common stock in support of the proposed transaction. Steve Regoci, President of Garibaldi Resources Corp. stated, "We support this transaction on the basis that it is accretive to the Paramount stockholders and the company has the expertise and financial backing to bring the Fire Creek Project through the development stage and deliver significant stockholder value."

Paramount and Klondex are currently preparing the materials for the meetings of their security holders and to submit to the appropriate regulators to obtain the approvals necessary to consummate the Transaction.

For further details of the Transaction, please see the Paramount/Klondex joint news release dated July 20, 2009, Paramount's filings with the United States Securities and Exchange Commission (the "SEC") available on www.sec.gov and the applicable Canadian securities regulators available on www.sedar.com and Klondex's filings with the applicable Canadian securities regulators available on www.sedar.com.

About Paramount Gold and Silver Corp.

Paramount Gold and Silver Corp. is a precious metals exploration company listed on the Toronto Stock Exchange and the NYSE Amex under the symbol "PZG", and listed on the Deutsche Borse (WKN: A0HGKQ).

Paramount holds a 100% interest in the San Miguel Project and has completed 47,560 meters of diamond drilling on 213 holes and 3,743 meters of exploration trenching at San Miguel since the summer of 2006. Paramount has recently expanded its land holdings by acquiring a 100% interest in the Temoris Project from Garibaldi Resources Corp.; a land package of over 54,000 hectares. Paramount's land package now includes most of the ground surrounding Coeur d'Alene Mines (NYSE:CDE) Palmarejo Mine project and is in excess of 140,000 hectares. For more information, visit www.paramountgold.com. The information on Paramount's website is not, and shall not be deemed to be, a part of this release or incorporated into any filings with the SEC or Canadian securities regulatory authorities.

Paramount Gold and Silver Corp.
Christopher Crupi, CEO
866-481-2233 / 613-226-9881

Additional Information About the Transaction and Where to Find It

In connection with the Transaction, Paramount expects to file with the SEC a proxy statement which will be sent to the stockholders of Paramount seeking their approval of the merger. In addition, Paramount may file other relevant documents concerning the Transaction with the SEC. Security holders are urged to read the proxy statement and other relevant documents when they become available because they will contain important information about the Transaction.

Security holders of Paramount may obtain free copies of these documents through the website maintained by the SEC at http://www.sec.gov. Security holders of Paramount may also obtain free copies of these documents by directing a request by telephone or mail to Paramount Gold and Silver Corp., 346 Waverley Street, Suite 100, Ottawa, Ontario Canada K2P OW5 (telephone: (613) 226-9881) or by accessing these documents at Paramount's website: www.paramountgold.com under "Investors". The information on Paramount's website is not, and shall not be deemed to be, a part of this release or incorporated into other filings made with the SEC or Canadian securities regulatory authorities.

Paramount and its directors, executive officers and members of management may be deemed to be participants in the solicitation of proxies from the stockholders of Paramount in connection with the Transaction. Information about the directors and executive officers of Paramount is set forth in the proxy statement for its 2009 annual meeting of stockholders filed with the SEC on January 8, 2009 and in its Form 8-K filed with the SEC on March 23, 2009. Information regarding the interests of these participants and other persons who may be deemed participants in the Transaction may be obtained by reading the proxy statement regarding the Transaction when it becomes available.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Statements in this document regarding the Transaction, approvals to consummate the Transaction, the expected timetable for completing the Transaction, benefits and synergies of the Transaction, future opportunities for the combined company, expectations regarding the value and benefits of the Transaction and any other statements about Paramount or Klondex managements' future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and statements containing the words "believes," "plans," "anticipates," "expects," estimates and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: the ability of the parties to consummate the Transaction and satisfy the conditions thereunder; the ability to obtain, and the timing of, the necessary exchange, regulatory and shareholder or stockholder approvals for the Transaction; the impact of any actions taken by Silvercorp. or any other party to complicate, delay or prevent the Transaction; the ability to realize the anticipated synergies and benefits from the Transaction and the combined company; and the other factors described in Paramount's Annual Report and Annual Information Form on Form 10-K for the year ended June 30, 2008 and its most recent quarterly reports filed with the SEC available on www.sec.gov and applicable Canadian securities regulators available on www.sedar.com and Klondex's filings with the applicable Canadian securities regulators available on www.sedar.com. Except as required by applicable law, each of Paramount and Klondex disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this document.