Paramount Gold and Silver Adds 500 m. of Strike to High-Grade Southern Extension of San Miguel Project's La Union Zone

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New Results Include 28.2 m Intercept Grading 5.08 g/T Au With Intervals Up to 77.1 g/T Au

WINNEMUCCA, NEVADA -- (Marketwire) -- 05/01/12 -- Paramount Gold and Silver Corp. (NYSE Amex: PZG)(TSX: PZG)(FRANKFURT: P6G)(WKN: A0HGKQ) ("Paramount") today reported outstanding new assays from the southward extension of the high-grade La Union zone which could have major consequences for its 100%-owned San Miguel Project in Mexico.

La Union lies within the 7.5 km long Guazapares Megastructure which hosts a series of precious metal zones with unexplored gaps between them. To the south of La Union is an unexplored 1.3 km gap which stretches down to the Santa Clara zone. This gap is a key target for its potential to host a continuation of La Union's high grades. Core hole LU-12-046, grading 6.21 g/T of gold and 53.71 g/T of silver over 4.9 meters is especially significant because it is the biggest step-out yet, located 500 meters south of La Union and well into the unexplored gap in the Guazapares Megastructure. New drilling also found significant widths: core hole LU-12-45 returned an exceptional 28.2 meter intercept grading 5.08 g/T of gold and 11.0 g/T of silver.

To date, exploration drilling between La Union and Santa Clara has been preliminary and shallow in nature, successfully intersecting the principal structure which is well mineralized with gold and silver. Paramount geologists are now evaluating these results to determine the "optimum elevation" within the structure where additional high-grade gold is likely to be found. This method has helped Paramount to substantially increase drilling success at other targets on its San Miguel Project. Widths of the structure vary substantially over short distances. Paramount believes that it may be possible to anticipate these wider zones which appear to relate to inflections in the structure's dip.

Christopher Crupi, Paramount's CEO, commented that "La Union is now joining Don Ese and the San Miguel Vein as important sources of high-grade gold mineralization. These zones are expected to generate a substantial increase in gold resources in our next NI 43-101 estimate scheduled for later this quarter. More importantly, we believe that as we unravel the factors affecting gold deposition, we will be able to connect the high-grade occurrences into a much larger, continuous body. Two rigs continue to drill on the Guazapares Megastructure where the unexplored gaps are proving to be highly productive."

Details of the intercepts from the most recent 12 holes drilled at La Union are:

Hole #	Area	Total Length (m)	From (m)	To (m)	Width (m)	Au g/T	Ag g/T
LU-12-024	LA UNION	225.35	103.20	106.40	3.20	0.01	20.48
			120.80	148.25	27.45	3.29	5.02
		including	120.80	126.45	5.65	11.04	19.53
		including	122.15	125.10	2.95	16.00	9.26
			183.20	184.20	1.00	1.18	0.80
LU-12-036	La Union South Ext.	249.85	66.60	71.45	4.85	0.03	17.72
			100.95	103.70	2.75	0.07	13.43
LU-12-037	La Union South Ext.	262	224.75	228.45	3.70	1.98	7.05
		including	227.2	228.45	1.25	5.29	18.92
LU-12-038	LA UNION	262.15	81.50	98.45	16.95	0.27	15.15
			161.85	176.75	14.90	1.34	1.95
		including	167.60	169.00	1.40	5.19	3.86
			184.20	185.65	1.45	19.90	19.10
			189.95	197.65	7.70	8.47	4.36
		including	194.25	195.35	1.10	54.10	18.10
			219.30	222.65	3.35	2.35	6.06
LU-12-039	La Union South Ext.	210.20	85.90	90.65	4.75	0.12	39.63
LU-12-040	La Union South Ext.	253.00	No significant intervals				
LU-12-041	La Union South Ext.	254.00	No significant intervals				
LU-12-042	La Union South Ext.	268.25	82.50	86.50	4.00	0.25	81.40
			91.60	94.35	2.75	0.18	19.16
			109.95	110.60	0.65	0.81	7.00
LU-12-043	La Union South Ext.	387.20	No significant intervals				
LU-12-044	LA UNION	261.83	97.00	116.65	18.75	1.55	23.72
		including	97.90	100.35	2.45	7.89	98.80
			221.10	223.40	1.30	0.30	1.20
LU-12-045	LA UNION	231.65	102.30	130.50	28.20	5.08	10.98
		including	109.95	117.65	7.70	17.06	23.99
		including	111.65	112.55	0.90	15.30	23.30
		including	113.05	113.55	0.50	63.00	45.20
		including	114.05	115.20	1.15	12.90	20.90
		including	115.20	115.75	0.55	77.10	73.30
		including	115.75	116.25	0.50	19.80	25.40
			137.85	144.30	6.45	0.49	2.08
			165.55	172.25	6.70	0.27	1.45
LU-12-046	LA Union South Ext.	210.3	161.20	166.10	4.90	6.21	53.71

These holes were drilled to intercept the structure at right angles and the reported intercepts are therefore believed to approximate true width. (See Longitudinal Section and plan view for drill hole locations: http://media3.marketwire.com/docs/Maps_Paramount_0501.pdf).

A new resource estimate by Mine Development Associates (MDA, www.mda.com) of Reno, Nevada is expected during the second quarter of 2012 for the entire San Miguel Project and will include all 2011 and early 2012 drill results. To date, a total of 126 drill holes totaling 35,600 meter of new drilling are being incorporated into the updated resource estimation. The new resource estimate will be incorporated into a Preliminary Economic Assessment planned for completion later this year which will evaluate mining scenarios, mining rates and process alternatives while defining a path to a Preliminary Feasibility Study, which would report reserves. Paramount continues to explore the potential of its large San Miguel property position and is prioritizing numerous untested targets as well as extensions of known deposits, many of which remain open, as it pursues additional resource expansion.

Exploration activities at San Miguel are being conducted by Paramount Gold de Mexico S.A de C.V personnel under the supervision of Glen van Treek, Exploration Vice President of the Company and Bill Threlkeld, a Qualified Person as defined by National Instrument 43-101, who have both reviewed and approved this press release. An ongoing quality control/quality assurance protocol is being employed for the program including blank, duplicate and reference standards in every batch of assays. Cross-check analyses are being conducted at a second external laboratory on 10% of the samples. Samples are being assayed at ALS Chemex, Vancouver, B.C., using fire assay atomic absorption methods for gold and aqua regia digestion ICP methods for other elements.

About Paramount Gold:

Paramount Gold is a U.S. based exploration and development company with multi-million ounce advanced stage precious metals projects in Nevada (Sleeper) and northern Mexico (San Miguel). Fully funded exploration programs are now in progress at these two core projects which are expected to generate substantial additional value for our shareholders. Engineering studies are scheduled for completion in 2012 to define a development path and economic valuation for each project.

The 100% owned San Miguel Project consists of 150,160 hectares (371,053 acres) in the Palmarejo District of northwest Mexico, making Paramount the largest claim holder in this rapidly growing precious metals mining camp. The current work program at San Miguel is part of Paramount's strategy of expanding and upgrading known, large-scale precious metal occurrences in established mining camps, defining their economic potential and then partnering them with nearby producers. The San Miguel Project is ideally situated near established, low cost production where the infrastructure already exists for early, cost-effective exploitation. Paramount also owns 100% of the Sleeper Gold Project which is emerging as one of Nevada's largest new undeveloped gold resources. (See San Miguel Resource at various cut off and a global resource table below)

SUMMARY OF ALL PZG NI 43-101 COMPLIANT RESOURCE ESTIMATES:

MEASURED AND INDICATED RESOURCES

PROJECT	Tonnes	Au g/T	Au Ounces	Ag g/T	Ag Ounces
San Miguel	8,005,000	0.38	98,800	62.00	15,759,000
Sleeper	172,763,453	0.47	2,625,399	4.56	25,337,575
Total			2,724,199		41,096,575

INFERRED RESOURCES

PROJECT	Tonnes	Au g/T	Au Ounces	Ag g/T	Ag Ounces
San Miguel	45,890,000	0.60	877,700	38.00	56,848,000
Sleeper	81,754,167	0.43	1,120,410	3.12	8,202,962
Total			1,998,110		65,050,962

FOR A DETAILED REPORT ON THESE RESOURCE ESTIMATES, THEIR QPS AND METHODOLOGIES PLEASE SEE THE FOLLOWING NEWS RELEASES: APRIL 11, 2011 SAN MIGUEL; SEPTEMBER 13 2011, SLEEPER; DECEMBER 28 2011, SAN MIGUEL.

Cautionary Note to U.S. Investors Concerning Estimates of Indicated and Inferred Resources :

This news release uses the terms "measured and indicated resources" and "inferred resources". We advise U.S. investors that while these terms are defined in, and permitted by, Canadian regulations, these terms are not defined terms under SEC Industry Guide 7 and not normally permitted to be used in reports and registration statements filed with the SEC. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility studies, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves", as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in this category will ever be converted into reserves. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally minable.

Safe Harbor for Forward-Looking Statements:

This release and related documents may include "forward-looking statements" including, but not limited to, statements related to the interpretation of drilling results and potential mineralization, future exploration work at the San Miguel Project and the expected results of this work. Forward-looking statements are statements that are not historical fact and are subject to a variety of risks and uncertainties which could cause actual events to differ materially from those reflected in the forward-looking statements including fluctuations in the price of gold, inability to complete drill programs on time and on budget, and future financing ability. Paramount's 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. Words such as "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: uncertainties involving interpretation of drilling results, environmental matters, lack of ability to obtain required permitting, equipment breakdown or disruptions, and the other factors described in Paramount's Annual Report on Form 10-K for the year ended June 30, 2011 and its most recent quarterly reports filed with the SEC.

Except as required by applicable law, Paramount disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

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