Paramount Gold and Silver Plans Larger Program on San Miguel's Don Ese Discovery Follow up Drilling on Palmarejo Mine Extension To Probe 1500 Meters More of Strike

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CHIHUAHUA, MEXICO -- (Marketwire) -- 12/21/10 -- Paramount Gold and Silver Corp. ('Paramount') (NYSE Amex: PZG) (TSX: PZG) (FRANKFURT: P6G) (WKN: A0HGKQ) announced today that ongoing surface exploration has identified significant additional strike potential for the Don Ese structure that will be the focus of drill testing in early 2011.

Initial results from Paramount's drill testing of the Don Ese area discovered a north-northwest trending high grade gold and silver-bearing vein within a strike extension of the main structural corridor which hosts Coeur d´Alene´s (NYSE: CDE) neighboring Palmarejo Mine (see release of December 9, 2010 at http://paramountgold.com/News/NewsRelease.asp?ID=100199). The Don Ese vein is not exposed at the surface but was initially located by surface features including fractured and broken rocks indicative of a fault zone, anomalous silver and gold geochemistry and distinctive clay mineralogy. Surface exploration for these markers is now being conducted along strike to the south of the Don Ese discovery and has identified the favorable geology, geochemistry and clay mineralogy as well as vein exposures in a corridor about 7,500 meters along strike and 2,500 meters wide on Paramount´s San Miguel concessions. The Company expects to develop multiple targets for drill testing in early 2011 from these sub-parallel vein zones within the Guadalupe/Don Ese mineralized corridor.

Work in this mineralized corridor to date has identified two parallel north-northwest trending veins where drill testing is indicated from surface work. A 6,000 meter core drilling program has been designed to test these targets starting in January. The surface expression of these veins is currently known to be 1500 meters and 800 meters but the limits of these veins have not been determined. Continuing surface exploration within the corridor has identified several additional areas of interest which could generate additional targets for drill testing in the first quarter of 2011.

Exploration activities at San Miguel are being conducted by Paramount de Mexico personnel under the supervision of Bill Threlkeld a Qualified Person as defined by National Instrument 43-101. An ongoing and rigorous quality control/quality assurance protocol is being employed during 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.

Paramount Gold and Silver holds a 100% interest in several North American gold projects. The Corporation's principal asset is the San Miguel property in Chihuahua State, Mexico. For more information on the Corporation visit the Company's website at http://www.paramountgold.com.

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