

PARAMOUNT GOLD & SILVER CORP.  
Form 424B3  
October 09, 2012

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Registration No. 333-180812

## PROSPECTUS

PARAMOUNT GOLD AND SILVER CORP.

10,417,776 Shares

Common Stock

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The selling stockholders named in this prospectus are offering shares of our common stock. We are not selling any shares of our common stock in this offering. We will not receive any proceeds from the sale of common stock by the selling stockholders. The distribution of the shares by the selling stockholders is not subject to any underwriting agreement. We will bear all expenses of registration incurred in connection with this offering, but all selling and other expenses incurred by the selling stockholders will be borne by them.

Our common stock is listed for trading on the NYSE MKT LLC ("NYSE MKT") and the Toronto Stock Exchange ("TSX") under the symbol "PZG", and quoted on the Frankfurt Stock Exchange ("FSE") under the symbol "P6G." On October 5, 2012 the last reported sale price of our common stock on the NYSE MKT and TSX was US\$2.62 and CDN\$2.58 per share, respectively, and on the FSE was EUR€2.00 per share.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 9, 2012

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus. We and the selling stockholders have not authorized any other person to provide you with information different from that contained in this prospectus. The distribution or possession of this prospectus in or from certain jurisdictions may be restricted by law. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

In this prospectus, “Paramount,” “Company,” “we,” “us,” and “our” refer to Paramount Gold and Silver Corp., including unlisted subsidiaries, in the context otherwise requires, its subsidiaries. To understand the offering fully and for a more complete description of the offering you should read this entire document carefully, including particularly the “Risk Factors” section beginning on page 3.



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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because this is a summary, it may not contain all of the information that may be important to you. Therefore, you should read this entire prospectus carefully before making a decision to invest in our common stock securities, including the risks discussed under the “Risk Factors” section and our financial statements and related notes.

The Company

Paramount is a U.S. based exploration stage mining company with projects in Nevada (Sleeper) and northern Mexico (San Miguel). Our business strategy is to acquire and develop known precious metals deposits in large-scale geological environments in North America. This helps eliminate discovery risks and significantly increases the efficiency and effectiveness of exploration programs. Our projects are located near successful operating mines. This greatly reduces the related costs for infrastructure requirements at the exploration stage and eventually for mine construction and operations.

Recent Equity Offering

On March 30, 2012, the Company closed a private placement offering (the “March 2012 Offering”) pursuant to which the Company sold to various institutional and accredited investors and non-U.S. persons 10,417,776 shares of its common stock (the “Shares”) for gross proceeds of \$21,356,441, at an offering price of \$2.05 per Share. Net proceeds from the March 2012 Offering will be used primarily to support the Company's current exploration and development plans together with the Company's ongoing general corporate and working capital requirements.

The subscription agreements between the Company and each of the investors of the March 2012 Offering provide that we shall use our commercially reasonable efforts to file a registration statement with the U.S. Securities and Exchange Commission to register the resale of the Shares. The Company has agreed to pay a finder's fee for certain of the subscription agreements.

The sale of the Shares was exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof and Regulation D promulgated thereunder, as transactions by an issuer not involving a public offering.

Corporate Information

We are a Delaware company incorporated on March 29, 2005. Our head office is located at 665 Anderson Street, Winnemucca, Nevada. We have an exploration field office in Temoris, Chihuahua, Mexico. Our telephone number at our head office is (775) 625-3600 and our corporate website is [www.paramountgold.com](http://www.paramountgold.com). The information on, or that can be accessed through, our website is not part of this prospectus.

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The Offering

Shares of common stock offered by the selling stockholders 10,417,776 shares of common stock, \$0.001 par value per share, offered by the selling stockholders.

Offering price Determined at the time of sale by the selling stockholders

Common stock outstanding 147,546,184 (as of September 20, 2012)

Risk factors An investment in the shares involves a high degree of risk. Investors should carefully consider the information set forth under “RISK FACTORS” beginning on page 3.

Use of proceeds We will not receive any proceeds from the sale of our common stock offered through this prospectus by the selling stockholders.

NYSE MKT symbol “PZG”

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RISK FACTORS

Investment in any securities offered pursuant to this prospectus involves risks. Before making an investment decision, you should carefully consider the specific risks described under the caption “Risk Factors” in any of our filings with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, which we have incorporated herein by reference. Each of the risks described in these headings could adversely affect our business, financial condition, results of operations and prospects, and could result in a complete loss of your investment. For more information, see “Where You Can Find More Information.”

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this prospectus, and they may also be made a part of this prospectus by reference to other documents filed with the Securities and Exchange Commission, which is known as "incorporation by reference."

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words and terms of substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

Forward-looking statements might include one or more of the following:

- anticipated results of financing activities;
- anticipated joint ventures or exploratory costs;
- anticipated prices for gold and silver;
- anticipated drilling results;
- descriptions of plans or objectives of management for future operations;
- forecasts of future economic performance; and
- descriptions or assumptions underlying or relating to any of the above items.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this prospectus or in any document incorporated by reference might not occur. Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus or the date of the document incorporated by reference in this prospectus. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to the Registrant or to any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

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## USE OF PROCEEDS

We will not receive any proceeds from the sale of our common stock offered through this prospectus by the selling stockholders. All proceeds from the sale of our common stock sold under this prospectus will go solely to the selling stockholders.

## CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and our capitalization as of June 30, 2012. The information in this table should be read in conjunction with “Selected Consolidated Financial Data”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the consolidated financial statements and the related notes included elsewhere in this prospectus.

	June 30, 2012 (In thousands, except share and per share amounts)
Cash and cash equivalents	\$ 12,500
Reclamation and environmental obligation	\$ 1,198
Stockholders’ equity:	
Common stock, \$0.001 par value; 200,000,000 shares authorized and 147,412,603 shares outstanding	\$ 148
Additional paid-in-capital	\$ 151,565
Contributed surplus	\$ 12,892
Deficit accumulated during the exploration stage	\$ (101,729 )
Accumulated other comprehensive income	\$ (65 )
Total equity (deficit)	\$ 62,811
Total capitalization	\$ 76,120

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## SELECTED FINANCIAL DATA

The following consolidated financial data has been derived from and should be read in conjunction with our audited financial statements for the years ended June 30, 2008 through 2012. Our audited financial statements for the years ended June 30, 2008 through 2012 are included in the Company's annual reports for the years ended June 30, 2008 through 2012. These reports can be found on the Securities and Exchange Commission's website located at [www.sec.gov](http://www.sec.gov).

	Year Ended June 30, 2012 (Audited)	Year Ended June 30, 2011 (Audited)	Year Ended June 30, 2010 (Audited)	Year Ended June 30, 2009 (Audited)	Year Ended June 30, 2008 (Audited)
Statement of Operations data					
Revenue	\$ 115,790	\$ 299,703	\$ 35,853	\$ 249,082	\$ 457,562
Expenses	\$ 18,208,539	\$ 12,159,746	\$ 10,248,026	\$ 7,490,261	\$ 18,867,523
Net loss	\$ 12,091,608	\$ 28,450,536	\$ 5,351,958	\$ 7,241,179	\$ 18,409,961
Basic and diluted loss per share	\$ 0.09	\$ 0.21	\$ 0.06	\$ 0.11	\$ 0.38
Diluted weighted average number of shares	139,466,595	130,677,585	98,617,938	65,433,659	47,703,566
Balance sheet data					
Cash and short term investments	\$ 20,000,708	\$ 14,689,241	\$ 21,380,505	\$ 7,040,999	\$ 3,199,848
Mineral properties	\$ 50,479,859	\$ 49,515,859	\$ 22,111,203	\$ 18,436,951	\$ 4,738,747
Total assets	\$ 76,119,889	\$ 70,296,027	\$ 46,328,181	\$ 27,457,795	\$ 11,932,328
Current liabilities	\$ 12,111,206	\$ 17,683,832	\$ 6,410,090	\$ 383,445	\$ 1,714,620
Total liabilities	\$ 13,309,385	\$ 18,827,724	\$ 6,410,090	\$ 383,445	\$ 1,714,620
Working capital	\$ 20,694,536	\$ 16,144,479	\$ 22,750,664	\$ 8,116,541	\$ 4,119,068
Accumulated deficit	\$ 101,729,241	\$ 89,637,633	\$ 61,187,098	\$ 43,197,264	\$ 35,956,085

## DETERMINATION OF OFFERING PRICE

The selling stockholders may sell their shares at prevailing market prices on the NYSE MKT, TSX or FSE or at privately negotiated prices. Consequently, we cannot determine what the actual value of our common stock will be either now or at the time of sale, if any. We will not receive proceeds from the sale of common stock from the selling stockholders.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We are an exploratory stage mining company that currently has mining concessions in Mexico and mineral claims in Nevada, USA. We have no proven reserves at our San Miguel project in Mexico or at our Sleeper Gold Project in Nevada but are currently exploring both projects. The following discussion updates our plan of operations for the foreseeable future. It also analyzes our financial condition and summarizes the results of our operations for the years ended June 30, 2012, 2011 and 2010 and compares each year's results to the results of the prior year.

## Plan of Operation – Exploration:

Our plan for the next twelve months at our San Miguel Project is to continue with our drill program by testing new areas or expanding resources on known zones such La Bavisa, Don Ese Sur and el Ojito, which are part of the

Temoris group of concessions. Additionally, we plan to conduct geological reconnaissance to identify new targets areas and drill them on geological merit. The Company expects to complete a Preliminary Economic Assessment on San Miguel project by calendar year end 2012. This will be based on our updated material estimate prepared by Mine Development Associates, and metallurgical testing by McClelland Laboratories, both of Reno Nevada USA. Our budget for the program is approximately \$7.8 million.

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Our plan for the next twelve months in Nevada is to primarily focus on our Sleeper Gold Project. Our budget for this period is approximately \$6.2 million. We will assess the results and recommendations of the PEA prepared by SEWC and determine the next steps for the Sleeper Gold Project. We will continue drilling to follow up on open zones with gold anomalies or hidden geophysical targets. Additionally, a drill program is planned to test several targets within the recently staked Mimi claim block south of the original Sleeper Gold mine claim block.

Our work at both the San Miguel Project and Sleeper Gold Project is consistent with 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.

Comparison of Operating Results for the year ended June 30, 2012 as compared to June 30, 2011

Liquidity and Capital Resources

At June 30, 2012, we had a cash and short-term investment balance of \$20,000,708 compared to \$14,689,241 as at June 30, 2011. The cash used to fund our exploration programs and corporate overhead was offset by the financing we completed in March 2012.

At June 30, 2012, we had a net working capital, excluding non-cash warrant liability, of \$20,694,536. We anticipate our cash expenditures to fund exploration programs and general corporate expenses to be approximately \$1.3 million per month for the next 6 months. We also anticipate making \$1.6 million in option payments for previously purchased mineral concessions in the next 3 months. Anticipated cash outlays will be funded by our available cash reserves and future issuances of shares of our common stock.