

PARAMOUNT GOLD MINING CORP.

Form SB-2/A

August 02, 2007

As filed with the Securities and Exchange Commission on August 2, 2007

Registration No. 333-144263

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

to

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PARAMOUNT GOLD MINING CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1041
(Primary Standard Industrial
Code Number)
346 Waverley Street Suite 110

20-3690109
(I.R.S. Employer
Identification No.)

Ottawa, Ontario Canada K2P 0W5

(613)226-9881

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jeffrey G. Klein, Esq.

2600 North Military Trail

Suite 270

Boca Raton, Florida 33431

(561)997-9920

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission of which this prospectus is a part becomes effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion: dated August 2, 2007

PRELIMINARY PROSPECTUS

PARAMOUNT GOLD MINING CORP.

Common Stock

This prospectus covers 16,221,083 shares of Paramount Gold Mining Corp. common stock, which the selling security holders identified in this prospectus under **Selling Security Holders** may offer and sell from time to time. The selling security holders own 10,398,496 shares of our common stock and warrants to purchase an additional 5,822,587 shares of our common stock. We are not offering any shares for sale and we will not receive any of the proceeds from the sale of these shares. The shares will be sold, if at all, at prevailing market prices for our common stock or at prices negotiated by the selling security holders.

Of the shares that may be offered for resale, 5,822,557 shares will be issued to the selling security holders only if they exercise warrants for the purchase of shares of our common stock. A total of 5,199,248 whole warrants have been issued with an exercise price of \$2.90 per share. An additional 623,909 broker warrants have been issued with an exercise price of \$2.10 per share. If the selling security holders exercise their warrants, we will receive proceeds in the amount of the exercise price of the warrant being exercised or up to \$16,388,028 if all warrants are exercised. See **Selling Security Holders** on page 26.

Our common stock is currently listed on the American Stock Exchange under the symbol **PZG**. The last reported sales price of our common stock on the American Stock Exchange on August 1, 2007 was \$2.70.

Investing in our common stock involves risks, which are described under **Risk Factors beginning on page 11. You should rely only on the information contained in this prospectus and any prospectus supplement. We have not authorized anyone to provide you with any different information.**

NEITHER THE SECURITIES EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION NOR ANY FOREIGN SECURITIES AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is [•], 2007

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ABOUT THIS PROSPECTUS

Paramount Gold Mining Corp. (Paramount or we) has not authorized anyone to give any information or make any representation about the offering that differs from, or adds to, the information in this Prospectus or the documents that are publicly filed with the Securities and Exchange Commission (SEC). Therefore, if anyone does give you different or additional information, you should not rely on it. The delivery of this Prospectus does not mean that there have not been any changes in Paramount s condition since the date of this Prospectus. If you are in a jurisdiction where it is unlawful to offer to purchase or exercise the securities offered by this Prospectus, or if you are a person to whom it is unlawful to direct such activities, then the offer presented by this Prospectus does not extend to you. This Prospectus speaks only as of its date except where it indicates that another date applies. Documents that are incorporated by reference in this Prospectus speak only as of their date, except where they specify that other dates apply. The information in this Prospectus may not be complete and may be changed. The selling security holders may not sell any securities until the registration statement filed with the SEC is effective. This Prospectus is not an offer to purchase or exercise these securities and it is not soliciting an offer to purchase or exercise these securities in any state or other jurisdiction where the purchase or exercise is not permitted.

This prospectus, together with the applicable prospectus supplements and the documents incorporated by reference into this prospectus, includes all material information relating to this offering. To the extent that any statement that we make in a prospectus supplement is inconsistent with statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in a prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading Where You Can Find More Information.

FORWARD LOOKING STATEMENTS

This prospectus contains forward-looking statements relating to Paramount Gold Mining Corp. which represent our current expectations or beliefs including, but not limited to, statements concerning our operations, performance, financial condition and growth. For this purpose, any statements contained in this prospectus that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as may , anticipate , intend , could , estimate , or continue or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel, variability of quarterly results, and our ability to continue our growth strategy and competition, certain of which are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

OUR BUSINESS

Overview and History

We are a Delaware corporation. We were incorporated on March 29, 2005. On April 14, 2005, we amended our Certificate of Incorporation, changing our name from Panelmasters, Inc to Paramount Gold Mining Corp. The Company's principal offices are located at Suite 110, 346 Waverley Street, Ottawa, Canada K2P 0W5.

Subject to the approval of stockholders at our next annual meeting, the Company intends to amend its certificate of incorporation and change its name to Paramount Gold and Silver Corp. The change is intended to more accurately reflect our business operations.

We are an exploration stage mining company which has as its core business, precious metals exploration. Our principal project is the San Miguel Groupings in Mexico. We have also entered into the Andean Gold Alliance with Teck Cominco Limited, with respect to the exploration of properties in Argentina, Chile and Peru. Currently, the Company only considers the San Miguel Groupings to be material to its overall business and financial condition. (See Our Business).

Paramount does not expect to generate revenues from any project in the next two years. Further, it is not Paramount's objective to enter the mine management business, but rather hopes to identify a resource that will enable them to attract a larger company to partner with who has experience developing and managing a mine.

We have been dependent upon private financings to operate our business. We have recently completed a private placement financing in the amount of \$21.8 million to fund ongoing drilling operations. If additional financing is required, there can be no assurance that we will be successful in securing funding or if available, on terms acceptable to the Company.

Inter-corporate Relationships

The following is a chart of the Company's two wholly-owned subsidiaries and our material projects:

Management

Our chief executive officer is Christopher Crupi, a former Vice President of PricewaterhouseCoopers. Mr. Crupi oversees our administrative and operational activities. In addition to his duties at Paramount, Mr. Crupi is also President and CFO of AmMex Gold Mining Corp., a publicly traded mining exploration company with property interests in both the United States and Mexico.

Our Manager of Exploration in Mexico is Charles William (Bill) Reed. Mr. Reed is a consultant to the Company and has committed 50% of his time to his duties at Paramount. In addition to his duties at Paramount, Mr. Reed is also Chief Geologist of AmMex Gold Mining Corp., a publicly traded mining exploration company with mining interests in both the United States and Mexico.

Mr. Reed has significant mining experience in Mexico, as he was formerly Chief Geologist in Mexico for Minera Hecla S. A. de C. V., a subsidiary of Hecla Mining (NYSE:HL) from 1998 to 2004. He was also the Regional Geologist in Mexico and Central America for Echo Bay Exploration from 1993 to 1998. While at Hecla, Mr. Reed supervised detailed exploration at the Noche Buena project, Sonora, and the San Sebastian silver and gold mine in Durango. He also identified and drilled the Don Sergio vein that was later put into production.

Our Board of Directors consists of Christopher Crupi, Charles William Reed, Ian Talbot, Daniel Hachey, Dr. John Carden and Michel Stinghamber.

Projects

We currently have one property under option, the San Miguel Groupings property in Mexico. We also have an agreement called the Andean Gold Alliance with Teck Cominco Limited. The agreement enables us to acquire mining properties in Argentina, Chile and Peru. There is no assurance that a commercially viable mineral deposit exists and that further exploration will be required before a final evaluation as to the economic and legal feasibility is determined. Our primary focus is the San Miguel property.

San Miguel

The San Miguel Groupings are a series of mining concessions located in southwestern Chihuahua in Northern Mexico, and are approximately 400 kilometres by road from the state capital. The San Miguel Groupings lie in the Guazapares mining district, which is part of the Sierra Madre Occidental gold-silver belt. Paramount signed an agreement in August 2005 with Corporacion Amermin S.A. de CV, a subsidiary of Tara Gold Resource Corp., and has earned a 70% working interest in the San Miguel Groupings.

Paramount's ongoing exploration program at the San Miguel Groupings began in June 2006. An integrated program of surface sampling, geologic mapping, mapping and sampling of accessible underground workings, and trenching was the initial phase of the program.

Property Description and Location

Location

The San Miguel Project is located southwestern Chihuahua in Northern Mexico, and is approximately 400 km by road from the state capital. The project is about 20 km north of the town of Temoris, adjacent to the tiny village of Guazapares. It is in the Guazapares mining district, which is part of the Sierra Madre Occidental gold-silver belt.

The coordinate system used for all maps and sections in this report is the Universal Transverse Mercator system, Zone 12. GPS coordinates are referenced to NAD 27 Mexico.

See Maps one and two:

MAP 1. SAN MIGUEL PROJECT LOCATION

MAP 2. SAN MIGUEL PROJECT PRINCIPAL CONCESSIONS AND DRILLING AREAS

Land Area

Until recently the San Miguel Project consisted of 16 smaller concessions clustered near Guazapares with a total area of 429.57 hectares, along approximately 8 kilometers of vein system strike length. Exploration efforts to date have been focused on this group. Recently the much larger Andrea, Gissel and Isabel concessions have been staked and a joint venture has been signed with Garibaldi Resources Corporation as part of a district wide exploration program.

These concessions add 118,702 and 7000 hectares, respectively, to the project.

The Chihuahua Informe Pericial (Department of Mines) administers the concessions in this area. As part of the concession acquisition process, concession boundaries are surveyed.

San Miguel Project Concession Data *

Name	Title #	Area (has)	Owner
San Miguel	16/6401	12.9458	Paramount Gold deMexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
San Juan	16/6402	3.00	Paramount Gold deMexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
San Luis	16/6422	4.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Empalme	16/6423	6.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Sangre de Cristo	16/6424	41.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Santa Clara	16/6425	15.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
El Carmen	16/6426	59.0864	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Las Tres BBB	16/6427	23.001	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Swanwick	16/6428	70.1316	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)

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Las Tres SSS	16/6429	23.001	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
El Rosario	16/6430	14.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Guadalupe de los Reyes	17/2225	8.00	Paramount Gold de Mexico SA de CV (70%) and Corporacion Amermin SA de CV. (30%)
Montecristo	21/3579	38.056	Victor Manuel Gomez Fregoso
Montecristo Fraccion	21/3580	0.02813	Victor Manuel Gomez Fregoso
Montecristo II	22/6590	27.1426	Victor Manuel Gomez Fregoso
Constituentes 1917	19/9402	66.2403	Victor Garcia Jimenez
Andrea	16/34653	117,474	Paramount Gold de Mexico SA de CV
Gissel	16/34660	880.00	Paramount Gold SA de CV
Isabel	16/34731	348.2848	Paramount Gold de Mexico SA CV

*

As reported by Delve Consultants, LLC an independent geology company

As of May 30, 2007, a total of approximately 13,000 meters of HQ size (2.5 in) core drilling has been completed in 91 holes at the San Miguel Groupings. Drilling has been focused on the La Union, San Jose, San Luis, San Antonio, El Carmen and Montecristo areas of the San Miguel Groupings. The drill is currently working at the El Carmen concession of San Miguel. As of May 30, 2007, Paramount has completed 47 trenches for a total of

approximately 3,000 meters, largely in the in the La Union, San Jose, and San Antonio areas of San Miguel. Additional trenching is in progress at El Carmen.

Andean Gold Alliance

On May 11, 2006 we signed an agreement to create the Andean Gold Alliance (AGA) with Teck Cominco Limited (TSX: TEK.MV.A and TEK.SV.B) (Teck Cominco) and its subsidiaries in Chile, Peru and Argentina. The AGA, initially consisted of 21 properties (10 in Argentina, 7 in Chile and 4 in Peru), created a strategic alliance between Paramount and Teck Cominco for gold exploration in these three countries. The AGA also provides for a mutual right of first offer with respect to the divestiture of new and existing gold exploration properties over significant parts of Argentina, Chile and Peru.

Under the terms of the agreement, Paramount can vest in the AGA by incurring a minimum expenditure of \$3,000,000 over 3 years, with \$1,000,000 in expenditures (including a minimum of 3,000 meters of drilling on 3 properties) per year. In addition, Paramount must issue Teck Cominco 210,000 units on signing and another 50,000 units a year for a total of 360,000 units. Each unit will include a share of Common Stock and a two year Common Stock purchase warrant that shall be priced at a 30% premium to the 20 day trading average prior to issue.

Upon vesting in the AGA, Paramount may earn a 100% interest in individual properties (with separate option for each property), subject to a retained 2% NSR Royalty and back-in right to Teck Cominco, by incurring an aggregate expenditure (from the initial date of this agreement) of \$250,000 (including a \$50,000 minimum annual commitment) with respect to an individual property.

Teck Cominco may exercise its back-in right on each AGA property at any time up to 60 days after Paramount delivers notice that Paramount has spent \$3,000,000 on the individual property. Teck Cominco may earn a 60% interest by incurring 2 times the expenditures incurred by Paramount to a maximum requirement of \$6,000,000. Upon earning back a 60% interest, Teck Cominco shall extinguish the retained NSR Royalty and may elect to earn an additional 10% interest by completing, at its sole cost, a feasibility study on the property.

Based on data provided by Teck Cominco Limited, as well as field visits to Chile and Argentina, the Paramount team in South America conducted exploration on the initial 21 properties as well as an additional seven properties added to the alliance. Based on the work conducted on the properties, one property (Santos, Peru) was advanced to the drilling stage.

Andean Gold Alliance Santos Project Peru

The Santos project is comprised of 12 mining concessions totaling 9,300 hectares, located in the Department of Ayacucho, Province of Lucanas, District of Ocana. The property is situated 400 kms SSE of the City of Lima, and 60 kms NE of the city of Nasca. The property is directly accessible throughout the year, via a national network of paved and sandy roads. We intend to undertake a 1,500 meter drill program comprised of six holes that will test for gold and silver targeted deposits at 100 and 200 meters below surface. The objective of the program is to find the boiling zone which has the potential for deposits of gold and silver.

Financings

We have financed our operations through various equity financings occurring between December 2005 and March 2007, The most significant of these financings occurred on March 30, 2007 when the Company closed a

\$21,836,841 private placement offering of 10,398,496 units (the Units) at a price of \$2.10 per Unit. Each Unit is comprised of one share of Common Stock in the capital of the Company and one-half of one Common Stock purchase warrant of the Company. Each whole warrant shall entitle the holder thereof to acquire one share of Common Stock (a Warrant Share) at an exercise price of \$2.90 until March 29, 2009.

The Units were sold only to accredited or institutional investors. Most of the investors were located in Canada and the United States. The offering was completed on a best efforts basis pursuant to an agency agreement with Blackmont Capital Inc., Haywood Securities Inc., Canaccord Capital Corporation and Raymond James Ltd. (collectively, the Agents). The Agents either sold or participated in the sale of a total of 9,844,710 Units while the balance of the Units was sold by the Company s officers and directors. In connection with the private placement, Paramount paid commissions and fees to the Agents in the amount of \$1,310,210.46. The Agents also received non transferable broker warrants which will entitle the Agents to acquire in the aggregate 623,909 shares of Common Stock until March 29, 2009 at an exercise price of \$2.10 per share.

Proceeds from this and prior financings were used to fund the ongoing drill and exploration programs of Paramount's properties in Mexico and South America. Paramount plans to drill a total of 50,000 meters in 2007 and 2008 on its San Miguel project in Mexico, using a combination of core and reverse circulation methods.

Number of Employees

As of May 31, 2007, the Company had 63 employees and consultants of which 37, 10, 8, and 8 are in Mexico, Peru, the United States and Canada respectively.

Facilities

Our corporate office is located at Suite 110, 346 Waverly Street, Ottawa, Ontario K2P 0W5. We rent approximately 2,000 square feet of office space at a cost of approximately US \$3,760 (\$4,000 per month Canadian). We also have an office in Lima Peru and a field office in Temoris, Mexico. All of our office leases are in good standing.

Litigation

There is no pending or threatened litigation against the Company or any of its subsidiaries.

THE OFFERING

The Issuer:	Paramount Gold Mining Corp.
The Selling Security Holders:	<p>The selling security holders include the following:</p> <ol style="list-style-type: none">1. Certain existing security holders of Paramount, including our chief executive officer and vice president who purchased common stock and common stock purchase warrants from us in a private placement which we closed on March 30, 2007. Each whole common stock purchase warrants entitle the selling security holders to purchase additional common shares from us. The issue of the shares and share purchase warrants by us to the selling security holders was exempt from registration under the Securities Act.2. Broker warrants which were issued to certain brokerage firms who assisted us in our private placement which we closed on March 30, 2007.
Common Shares Outstanding Before and After the Offering:	We currently have 46,502,478 common shares that are issued and outstanding as of June 26, 2007. This number of outstanding common shares does not include the issuance of any shares of common stock pursuant to any outstanding common stock purchase warrants or outstanding common stock options.
Use of Proceeds:	We will not receive any proceeds from this offering. We will incur all costs associated with the filing of this registration statement and prospectus. To the extent any warrants are exercised, we will use the proceeds thereof for general working capital purposes.
Registration Rights:	We have agreed to register the shares that are the subject of this prospectus, together with certain warrants pursuant to various contractual arrangements with the selling security holders.
Trading:	Our common shares are traded on the American Stock Exchange under the stock symbol PZG.
Risk Factors:	See Risk Factors and the other information in this prospectus for a discussion of the factors you should consider before deciding to invest in our common shares.

SUMMARY OF FINANCIAL DATA

The following consolidated financial data has been derived from and should be read in conjunction with our unaudited interim financial statements for the nine months ended March 31, 2007 and our audited financial statements for the year ended June 30, 2006.

	Nine Months Ended	Year Ended	Year Ended
	March 31, 2007	June 30, 2006	June 30, 2005
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	\$ 2,685	\$ 6,860	-0-
Expenses	\$ 12,232,732	\$ 1,881,322	\$ 1,773
Cash	\$ 19,863,136	\$ 465,791	\$ 11,250
Total Assets	\$ 27,795,087	\$ 3,848,669	\$ 11,250
Current Liabilities	\$ 1,333,453	\$ 429,246	-0-
Total Liabilities	\$ 1,333,453	\$ 429,246	-0-
Working Capital (Deficit)	\$ 21,794,704	\$ 444,320	\$ 11,250
Accumulated Deficit	\$ 14,106,273	\$ 1,876,235	\$ (1,173)

RISK FACTORS

Investors should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occur, our business could be materially adversely affected. In such case, the Company may not be able to proceed with its planned operations and your investment may be lost entirely. The Securities offered hereby should only be purchased by persons who can afford to lose their entire investment without adversely affecting their standard of living or financial security.

BUSINESS RISKS

Possible Loss of Entire Investment

Prospective investors should be aware that if the Company is not successful in its endeavors, their entire investment in the Company could become worthless. Even if the Company is successful, there can be no assurances that investors will derive a profit from their investment.

We have a history of losses. Losses will likely continue in the future.

We have incurred significant losses in the past and will likely continue to incur losses unless our exploratory drilling program proves successful. Even if our drilling program identifies gold or other mineral reserves, there can be no assurance that we will be able to commercially exploit these resources or generate sufficient revenues to operate profitably.

There are no confirmed mineral deposits on any properties which we may derive any financial benefit.

Neither the Company nor any independent geologist, has confirmed commercially mineable ore deposits. In order to carry out additional exploration programs of any potential ore body and to place it into commercial production, we will require substantial additional funding.

We have no history as a mining company.

We have no history of earnings or cash flow from mining operations and our current management has limited experience in the mining industry. If we are able to proceed to production, commercial viability will be affected by factors that are beyond our control including the particular attributes of the deposit, the fluctuation in metal prices, the cost of construction and operating a mine, prices and refining facilities, the availability of economic sources for energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exploration of minerals, as well as the costs of protection of the environment.

If our exploration costs are higher than anticipated, then our profitability will be adversely affected.

We are currently proceeding with exploration of our mineral properties on the basis of estimated exploration costs. This exploration program includes drilling programs at various locations within the San Miguel Project. If our exploration costs are greater than anticipated, then we will have less funds for other expenses or projects. If higher exploration costs reduce the amount of funds available for production of gold or silver through mining and development activities, then our ability to achieve revenues and profitability will be adversely affected. Factors that

could cause exploration costs to increase are: adverse weather conditions, difficult terrain, increased government regulation and shortages of qualified personnel.

Mining exploration, development and operating activities are inherently hazardous.

Mineral exploration involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations that we undertake will be subject to all the hazards and risks normally incidental to exploration, development and production of gold and other metals, any of which could result in work stoppages, damage to property and possible environmental damage. The nature of these risks are such that liabilities might result in us being forced to incur significant costs that could have a material adverse effect on our financial condition and business prospects.

Our estimates of reserves are subject to uncertainty.

Estimates of reserves are subject to considerable uncertainty. Such estimates are arrived at using standard acceptable geological techniques, and are based on the interpretations of geological data obtained from drill holes and other sampling techniques. Engineers use feasibility studies to derive estimates of cash operating costs based on anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore bodies, expected recovery rates of metal from ore, comparable facility and operating costs and other factors. Actual cash operating costs and economic returns on projects may differ significantly from the original estimates, primarily due to fluctuations in the current prices of metal commodities extracted from the deposits, changes in fuel costs, labor rates, changes in permit requirements, and unforeseen variations in the characteristics of the ore body. Due to the presence of these factors, there is no assurance that any geological reports will accurately reflect actual quantities of gold, silver or other metals that can be economically processed and mined by us.

No ongoing mining operations.

We are not a mining company and have no ongoing mining operations of any kind. We have interests in mining concessions which may or may not lead to production.

There may be insufficient mineral reserves to develop the property and our estimates may be inaccurate.

There is no certainty that any expenditures made in the exploration of any properties will result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and no assurance can be given that any particular level of recovery of gold from discovered mineralization will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that gold recovered in small scale laboratory tests will be duplicated in large scale tests under on-site production conditions. Material changes in estimated reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

We face fluctuating gold, silver and mineral prices and currency volatility.

The price of gold as well as other precious base metals has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond our control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including, the US dollar relative to other currencies) interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold, other precious and base metals are affected by various factors, including political events, economic conditions and production costs in major mineral producing regions.

Mining operations are hazardous, raise environmental concerns and raise insurance risks.

Mining operations are by their nature subject to a variety of risks, such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences may delay development or production, increase production costs or result in a liability. We may not be able to insure fully or at all against such risks, due to political or other reasons, or we may decide not to take out insurance against such risks as a result of high premiums or other reasons. We intend to conduct our business in a way that safeguards public health and the environment and in compliance with applicable laws and regulations. Environmental hazards may exist on properties in which we hold an interest which are unknown to us and may have been caused by prior owners. Changes to mining laws and regulations could require additional capital expenditures and increase operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain mining operations uneconomic.

Requirement for Permits and Licenses

Our future operations, including exploration and development activities, required permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to acquire all required licenses or permits or to maintain continued operations at economically justifiable costs.

Currency Fluctuations

Any mining operations we undertake outside of the United States will be subject to currency fluctuations. Fluctuations in the exchange rate between the U.S. dollar and any foreign currency may adversely impact our operations. We do not anticipate that we will enter into any type of hedging transactions to offset this risk.

Political Stability

We intend to conduct operations in democratic and stable countries. However, with Mexico, Chile and Peru, like other developing countries, there is a greater likelihood of political unrest and changing rules and regulations regarding foreign investment. Political unrest would likely destabilize the country. This would in all likelihood adversely impact our proposed operations in any foreign jurisdiction.

Title Matters

While we intend to conduct our own due diligence prior to committing significant funds to any project, mining properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. Should this occur, we face significant delays, costs and the possible loss of any investments or commitment of capital.

Because of the speculative nature of exploration for gold and silver properties, there is substantial risk that our business will fail.

The search for gold and silver as a business is extremely risky. We cannot provide any assurances that the gold mining interests that we acquired will contain commercially exploitable reserves of gold. Exploration for minerals is a speculative venture necessarily involving substantial risk. Any expenditure that we make may not result in the discovery of commercially exploitable reserves of gold.

The gold market is a volatile market, will have a direct impact on the Company's revenues and profits and will probably affect whether the Company will be able to succeed.

The price of gold has increased over the past few years. This has contributed to the renewed interest in gold mining and companies engaged in that business, including the exploration for gold. However, in the event that the price of gold falls, the interest in the gold mining industry may decline and the value of the Company's business could be adversely affected. Further, although it is anticipated that gold mining costs outside of the United States and Canada will be appreciably lower, no assurances can be given that the situation will remain, or that gold will remain at a price that will make mining operations profitable. Finally, in recent decades, there have been periods of both overproduction and underproduction of gold resources. Such conditions have resulted in periods of excess supply of and reduced demand for gold on a worldwide basis and on a domestic basis. These periods have been followed by periods of short

supply of and increased demand for gold. The excess or short supply of gold has placed pressure on prices and has resulted in dramatic price fluctuations even during relatively short periods of seasonal market demand. We cannot predict what the market for gold will be in the future.

Government regulation, or changes in such regulation may adversely affect the Company's business.

The Company has and will, in the future, engage experts to assist it with respect to its operations. The Company is beginning to deal with the various regulatory and governmental agencies, and the rules and regulations of such agencies. No assurances can be given that it will be successful in its efforts. Further, in order for the Company to operate and grow its business, it needs to continually conform to the laws, rules and regulations of such jurisdiction. It is possible that the legal and regulatory environment pertaining to the exploration and development of gold mining properties will change. Uncertainty and new regulations and rules could increase the Company's cost of doing business or prevent it from conducting its business.

Our Chief Executive Officer serves as the Chief Executive Officer of another Mining Company.

Chris Crupi, our CEO, also serves as the CEO for AmMex Gold Mining Corp, another exploratory stage mining company. Mr. Crupi may be presented with business opportunities suitable for either entity. No formal plan or arrangement has been agreed upon to determine the resolution of any conflicts of interest.

We are in competition with companies that are larger, more established and better capitalized than we are.

Many of our potential competitors have:

- greater financial and technical resources;
- longer operating histories and greater experience in mining;
- greater awareness of the political, economic and governmental risks in operating in Mexico and South America.

It is unlikely that we will be able to sustain profitability in the future.

We incurred significant losses in 2006 and 2007 and there can be no assurance that we will be able to reverse this trend. Even if we are able to successfully identify commercially exploitable mining reserves, there can be no assurance that we will have sufficient financing to exploit these reserves or find a willing buyer for the properties.

We have no reserves, no mining operations, and no income

We currently have no revenues from operations, no mining operations, and no reserves. Reserves, by definition, contain mineral deposits in a quantity and in a form from which the target minerals may be economically and legally extracted or produced. We have not established that precious minerals exist in any quantity on any property which is the focus of our exploration efforts, and unless or until we do so we will not have any income from operations.

Exploration for economic deposits of minerals is speculative.

The business of mineral exploration is very speculative, since there is generally no way to recover any of the funds expended on exploration unless the existence of mineable reserves can be established and the Company can exploit those reserves by either commencing mining operations, selling or leasing its interest in the property, or entering into a joint venture with a larger resource company that can further develop the property to the production stage. Unless we can establish and exploit reserves before our funds are exhausted, we will have to discontinue operations, which could make our stock worthless.

Even if we are able to locate valuable ore sites, we may not be able to extract the minerals profitably.

Even if we identify proven reserves, without an economic extraction process, we will not be able to produce sufficient revenues to sustain operations, or demonstrate the existence of mineable reserves, and we will likely fail.

The mining industry is highly competitive and the success and future growth of our business depend upon our ability to remain competitive in identifying and developing mining properties with sufficient reserves for economic exploitation.

The mining industry is highly competitive and fragmented with limited barriers to entry, especially at the exploratory stages. We compete in international, national, regional and local markets with large multi-national corporations and against start-up operators hoping to identify a mining reserve. Some of our competitors have significantly greater financial resources than we do. This puts us at a competitive disadvantage if we choose to further exploit mining opportunities. As we expand into new geographic markets, our success will depend in part on our ability to locate and exploit mineral reserves.

The loss of key members of our senior management team could adversely affect the execution of our business strategy and our financial results.

We believe that the successful execution of our business strategy and our ability to move beyond the exploratory stages depends on the continued employment of key members of our senior management team. If any members of our senior management team become unable or unwilling to continue in their present positions, our financial results and our business could be materially adversely affected. We do not maintain key man insurance on any of our officers or directors.

We operate in a regulated industry and changes in regulations or violations of regulations may result in increased costs or sanctions that could reduce our revenues and profitability.

Our operations are subject to extensive and complex foreign, federal and state laws and regulations. If we fail to comply with the laws and regulations that are directly applicable to our business, we could suffer civil and/or criminal penalties or be subject to injunctions or cease and desist orders. While we believe that we are currently compliant with applicable rules and regulations, if there are changes in the future, there can be no assurance that we will be able to comply in the future, or that future compliance will not significantly adversely impact our operations.

RISKS RELATED TO OUR STOCK

Our stock price may be volatile.

The market price of our common stock has historically been volatile. We believe investors should expect continued volatility in our common stock price as a result of various factors, including:

1.
low daily trading volume,
2.
large spreads between quoted bid and offer prices,
3.
uncertainty of the company's future,
4.
sales of substantial amounts of our common stock by existing stockholders, including short sales,
5.
Company disclosures regarding the results of various stages of our exploration operations.

Such volatility may make it difficult or impossible for you to obtain a favorable selling price for our shares.

We have a large number of authorized but unissued shares of common stock, which our management may issue without further stockholder approval, thereby causing dilution of your holdings of our common stock.

We have a significant number of authorized but unissued shares of our common stock. Our management will continue to have broad discretion to issue shares of our common stock in a range of transactions, including capital-raising transactions, mergers, acquisitions, as compensation for officers, directors and consultants, and in other transactions, without obtaining stockholder approval, unless stockholder approval is required. We currently have no specific plans to issue shares of our common stock for any purpose. However, if our management determines to issue shares of our common stock from the large pool of such authorized but unissued shares for any purpose in the future without obtaining stockholder approval, your ownership position would be diluted without your further ability to vote on that transaction.

The exercise of our outstanding options and warrants and vesting of restricted stock awards may depress our stock price.

We have a significant number of outstanding common stock options and warrants which can be exercised immediately. To the extent that these securities are exercised, dilution to our stockholders will occur.

Sales of these shares in the public market, or the perception that future sales of these shares could occur, could have the effect of lowering the market price of our common stock below current levels and make it more difficult for us and our stockholders to sell our equity securities in the future.

Sale or the availability for sale of shares of common stock by stockholders could cause the market price of our common stock to decline and could impair our ability to raise capital through an offering of additional equity securities.

We do not intend to pay cash dividends.

We do not intend to declare or pay cash dividends on our common stock in the foreseeable future. We anticipate that we will retain any earnings and other cash resources for investment in our business. The payment of dividends on our common stock is subject to the discretion of our Board of Directors and will depend on our operations, financial position, financial requirements, general business conditions, restrictions imposed by financing arrangements, if any, legal restrictions on the payment of dividends and other factors that our Board of Directors deems relevant.

Risks related to 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 licensing or other agreements;
- anticipated litigation results;
- anticipated research and product development results;
- descriptions of plans or objectives of management for future operations, products or services;
- 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 registration statement or prospectus 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. 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 Paramount Gold Mining Corp. 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.

FOR ALL OF THE AFORESAID REASONS, AND OTHERS SET FORTH HEREIN, THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK. ANY PERSON CONSIDERING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THIS MEMORANDUM. THESE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT IN THE COMPANY AND HAVE NO IMMEDIATE NEED FOR A RETURN ON THEIR INVESTMENT.

USE OF PROCEEDS

All of the shares sold in this offering will be sold by certain holders of our common stock or of warrants to purchase shares of our common stock. Except for the potential exercise of warrants, we will not receive any proceeds directly from the sale of the shares offered in this prospectus.

Certain of the selling stockholders currently hold warrants to purchase a total of 5,199,248 shares of our common stock at exercise prices equal to \$2.90 per share. We have also issued 623,909 broker warrants which are exercisable at \$2.10 per share. In the event the selling stockholders exercise all of these warrants, we would receive proceeds of \$16,388,028. We may not receive any proceeds from exercise of the warrants in the near future. To the extent that we receive any proceeds from the exercise of the warrants, we intend to use any proceeds we receive for working capital and general corporate purposes including but not limited to drilling and exploratory operations.

MARKET FOR COMMON STOCK AND RELATED STOCKHOLDER INFORMATION

Market Information

Our common stock currently trades on the American Stock Exchange under the symbol PZG. Until August 1, 2007, our common stock was previously quoted on the OTC Bulletin Board. The table set forth below indicates the high and low bid prices for our common stock as reflected on the OTC Bulletin Board as reported by the Nasdaq Stock Market, Inc. for the two years ended December 31, 2005 and 2006 and for the quarters ended March 31 and June 30, 2007.

Year Ended	High	Low
December 31, 2007		
First Quarter	\$ 3.11	\$ 2.07
Second Quarter	3.25	2.10
December 31, 2006		
First Quarter	\$ 3.20	\$ 1.80
Second Quarter	4.35	2.50
Third Quarter	3.20	1.80
Fourth Quarter	2.65	1.80
December 31, 2005		
First Quarter	\$ N/A	\$ N/A
Second Quarter	N/A	N/A
Third Quarter	1.30	0.60
Fourth Quarter	1.50	0.50

As of June 26, 2007 there were approximately 1,800 holders of record of our common stock.

Dividend Policy

We have never declared or paid a dividend on our common stock. Payment of future dividends, if any, will be at the discretion of our Board of Directors after taking into account various factors, including the terms of any credit arrangements, our financial condition, operating results, current and anticipated cash needs and plans for growth. Our initial earnings, if any, will likely be retained to finance our growth. At the present time, we are not party to any agreement that would limit our ability to pay dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Overview

The following discussion updates our plan of operation for the foreseeable future. It also analyzes our financial condition at March 31, 2007. Our year end is June 30, 2007 and we will compare our results of operations for the year end June 30, 2007 with those of March 31, 2007. The discussion also analyzes the results of our operations for the three and nine month periods ended March 31, 2007 and compares those results to the three and nine month periods ended March 31, 2006.

Paramount Gold Mining Corp. is a holding company, conducting operations through its two wholly owned subsidiaries, Paramount Gold de Mexico S.A. and Compania Minera Paramount SAC. Our primary focus is our Mexican subsidiary where we will exploit existing opportunities in our San Miguel property grouping.

Recent Financings

On March 30, 2007, we completed a private placement of 10,398,496 units (the Units) of our securities at price of \$2.10 Unit (the Issue Price) for gross proceeds of \$21,836,841.

Each unit is comprised of one share of common stock in the capital of the Company and one-half of one common stock purchase warrant of the Company. Each whole Warrant shall entitle the holder thereof to acquire one share of common stock in the capital of the Company (a Warrant Share) at an exercise price of \$2.90. In connection with this offering, we also issued 623,909 broker warrants. We are obligated to register the securities offered in this financing.

Revenues

We are an exploratory mining company with no revenues to date from operations. All revenues to date represent interest income which we have earned as a result of our cash holdings. Our cash holdings were generated from the sale of our securities. Interest income was \$2,434 and \$2,695 for the three and nine months ended March 31, 2007 as compared to \$3,892 and \$5,018 during the comparable period in the prior year. Interest income declined as we utilized a significant portion of our cash reserves for geological fees, acquisition of mining interests and general working capital. We anticipate our interest income will increase in the coming year with the completion of our latest round of financing and irrespective of any proceeds from the exercise of any common stock purchase warrants.

Operating Expenses

We incurred expenses totaling \$6,255,101 and \$12,232,732 for the three and nine month period ended March 31, 2007 as compared to \$743,140 and \$1,077,895 for the three and nine months ended March 31, 2006. Consulting fees were \$1,264,229 and \$2,851,036 as compared to \$484,518 and \$486,018. We did not record any financing fees prior to the quarter ended March 31, 2007. Corporate communications and investor relation fees were valued at \$904,947 and \$2,235,250 as compared to \$484,518 and \$486,018. The significant increase in all of these expenses as well the other expenses identified in our Statement of Operations is the result of increased costs that we have incurred in acquiring various mining rights and exploratory costs related thereto.

We issued a total of 920,000 shares of our Common Stock for services rendered and 400,000 shares of our Common Stock for the acquisition of mineral properties. The value of the Common Stock was determined based upon the closing bid price of our Common Stock on the date of grant.

We recorded stock based compensation expense of \$2,009,152 as a result of stock options granted to employees and management pursuant to the 2006/07 Stock Incentive and Compensation Plan. All stock options were priced at fair market value based on trading prices on the date of grant.

Net Income (loss)

Our Net Loss for the three and nine months ended March 31, 2007 was \$(6,252,667) and \$(12,230,037) as compared to a Net Loss of \$(739,248) and \$(1,072,877) for the three and nine months ended March 31, 2006. Our Net Loss per Share was \$(0.163) and \$(0.357) as compared to a Net Loss per Share of \$(0.024) and \$(0.035) for the comparable periods in 2006. Until such time as we are able to identify mineral deposits which we believe can be extracted in a commercially reasonable manner, of which there can be no assurance, we will continue to incur ongoing losses.

Liquidity and Capital Resources

Assets and Liabilities

As of March 31, 2007, we had cash totaling \$19,863,136 as compared to \$465,791 as of June 30, 2006. Accounts receivable totaled \$436,508 as compared to \$177,110 and prepaid expenses and deposits of \$2,828,513 as compared to \$230,665. We had total current assets of \$23,128,157 as compared to \$873,566. The significant increase in our cash holdings is directly attributable to the completion of our March 30, 2007 financing.

Our long term assets at March 31, 2007 were \$4,502,296 as compared to \$2,932,800 while our fixed assets totaled \$164,634 as compared to \$42,303. Total assets as at March 31, 2007 were \$27,795,087 as compared to \$3,848,669 as at June 30, 2006. The significant increase in our fixed assets is in connection with our mineral properties and the payments we have made in connection therewith.

Our current liabilities as of March 31, 2007 were \$1,333,453 as compared to \$429,246 as of June 30, 2006. We have a working capital surplus of \$21,794,704 as compared to a working capital surplus of \$444,320 as of June 30, 2006. As a result of the March 30, 2007 financing, we anticipate that we will be able to meet our currently existing ongoing contractual commitments for any property or mineral rights and have sufficient financial resources to fund our ongoing exploration and geological endeavors

Plan of Operation

Exploration

Our plan of operation for the next twelve months is to focus our exploratory efforts on the San Miguel groupings. We intend to drill an additional 50,000 meters of drill holes at an approximate cost of \$10,000,000. Approximately 13,000 meters has been completed to date at an approximate cost of \$4,000,000. Based on drill rig availability and weather, the drilling program will continue uninterrupted through 2007 and much of 2008. At June 26, 2007 we had one drill rig active at the property with additional core and rotary drill rigs expected to be secured over the summer.

Other exploration activities commenced earlier in 2006, and include remote sensing survey and analysis, data reviews, resource modeling, geophysical surveys and modeling, re-logging of available drill core and rotary cuttings, and rock chips and soil sampling. Geophysical surveys and modeling including gravity have been completed and an IP (electrical) survey is on-going.

MATTERS RELATED TO OUR EXECUTIVE OFFICERS AND DIRECTORS

Executive Officers and Directors

Our executive officers and directors are:

Name	Position	Held Since
Christopher Crupi	CEO/CFO/Treas/Sec/Dir	2005
William Reed	VP/Director	2005
Daniel Hachey(2)(3)	Director	2006
Dr. 		