



PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited
ACN 145 105 148

Level 2, 131 Macquarie Street
Sydney NSW 2000
Tel: +61 2 9251 7177
Fax: +61 2 9251 7500

Contact

Rado Jacob Rebek
Chief Executive Officer

Email: jrebek@pmrl.com.au

Latest News

www.pmrl.com.au

Directors / Officers

John Dawkins AO
Non-Executive Chairman

John Foley
Non-Executive Deputy Chairman

Rado Jacob Rebek
Chief Executive Officer

Michael Leu
Non-Executive Director

Peter Kennewell
Chief Geologist

Bruce Dennis
Non-Executive Director

Peter Meers
Non-Executive Director

ASX Symbol: PMR

JORC STATEMENT

The information in this report that relates to mineral exploration is based on information compiled by Peter John Kennewell, who is a member of the Australasian Institute of Mining and Metallurgy. Peter John Kennewell is a director of Precious Metal Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Identified Mineral Resources, and Ore Reserves". Peter John Kennewell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

All widths are down hole widths, true widths are unknown

QUARTERLY ACTIVITIES REPORT

This quarterly operations report is dated 31 July 2014 and is for the three months ending 30 June 2014.

Corporate

On 28 May 2014 Precious Metal Resources Limited (**PMR**) held its annual general meeting. All resolutions put to the meeting were passed on a show of hands.

Proposed Corporate Restructure

PMR has announced a proposed corporate restructure with Sovereign Gold (**SOC**).

Both PMR and SOC have separately entered into Joint Venture agreements and Memoranda of Understanding (**MOU**) with Jiangsu Geology and Engineering Co. Ltd. (**SUGEC**) of Nanjing, China.

PMR currently has a \$2 million Joint Venture agreement and \$8 million Memoranda of Understanding with SUGEC with respect to EL4474, EL5339 and EL7679 (**PMR SUGEC Tenements**). It is proposed, subject to shareholder approval, to transfer this interest to SOC.

Shareholders will consider on 18 August 2014 to implement the following in order to rationalise the corporate structure and facilitate effective management time and focus on the various exploration project areas held by PMR and **SOC**:

1. SOC to acquire the PMR SUGEC Tenements;
2. SOC to relinquish control of PMR;
3. PMR would conduct a selective reduction of capital, whereby 64,000,000 shares in PMR, held by SOC would be cancelled;
4. SOC would then acquire the PMR SUGEC Tenements for consideration of 1 million SOC Shares (in satisfaction of Listing Rule 10.7).

At the conclusion of the transactions, PMR will have 23 million shares on issue (currently 87 million).

Halls Peak – Completed drill holes continue to impress with further high grades

During the quarter, results were received from the final four diamond drill holes of the six-hole program conducted at Gibsons Mine at the Halls Peak base metal field, in northern NSW. A detailed study of drill cores and assay results of diamond drill holes in the historic Gibsons zinc-lead-copper-silver mine area was completed.

Gibsons Mine at Halls Peak is located in EL 4474 which subject to shareholders approval, will be transferred to SOC (ASX: 9 April 2014)

The mineralised intervals reported from diamond drill holes DDH HP 026, 027 (ASX Releases 3 and 15 January 2014) and 028 and 029 are shallow and have the potential as a direct shipping ore to smelters.

DDH HP 028 intersected the four base metal zones identified in HP026 and HP027, providing useful information about their configuration and copper, lead, zinc and silver grades.

DDH HP 029 was collared near the portal of the "Dry Tunnel" to attempt an intersection of Barker's Lode. Barker's Lode was

intersected at shallow depth with high Ag, Cu, Pb and Zn grades.

DDH HP 028

- 1.8 metres (from 1.60 – 3.40m downhole) at 12.76% Zn, 7.06% Pb, 7.13% Cu, 224.3g/t Ag
- 1.5 metres (from 33.9 – 35.4m downhole) at 28% Zn, 9.6% Pb, 2.6% Cu, 62.9g/t Ag
- 3.2 metres (from 42.0 – 45.2 m downhole) at 19.7% Zn, 6.7% Pb, 1.57% Cu, 40.4g/t Ag

DDH HP 029

- 1.8 metres (from 8.60 – 10.40m downhole) at 19.98% Zn, 10.69% Pb, 0.9% Cu, 41.4g/t Ag

DDH HP 030

- 0.4 metres (from 40.60 – 40.80m downhole) at 6.47% Cu, 0.22% Zn, 30.3g/t Ag

Previously reported drill hole results

Following are some results from holes reported earlier.

DDH HP 026

- 1.48 metres (from 1.62 to 3.1 m downhole at an average grade of 19.2% Zn, 10.7% Pb, 5.66% Cu and 509 g/t Ag
- 1.0 metre (from 37.3 to 38.3m downhole) at 32.8% Zn, 6.7% Pb, 2.5% Cu and 48 g/t Ag
- 1.3 metres (from 41.2 to 42.5 m downhole) at 34.5% Zn, 11.3% Pb, 1.98% Cu and 68 g/t Ag

DDH HP 027

- 1.9 metres (from 53.80 – 55.70 downhole) at 27.1% Zn, 8.7% Pb, 1.5% Cu, 59.0g/t Ag
- 1.55 metres (from 40.9 to 42.45 m downhole) at average grade of 23.2% Zn, 6.7% Pb, 6.9% Cu and 120 g/ t Ag

New targets for drill testing in Panama Hat Goldfield near Broken Hill

Gold contents up to 4.5 grams/tonne were obtained in samples collected by the company geologist from mullock heaps from old gold mining shafts.

The best results were obtained from samples representing gossanous (= limonitic) rocks. Gossanous rocks are result of weathering and oxidation of sulphide rich mineralised rocks.

Assays of up to 0.1% Cu and 3.7ppm Ag indicate potential for copper and silver associated with gold in sulphide zone at depth.

Mining was undertaken on the Panama Hat Goldfield from about 1945 to 1950. Gold values reportedly averaged 11 g/t to 12 g/t, with reports of some samples returning up to 180 g/t. Mining probably stopped because of lack of water and low gold price.

Field work, including sampling and assaying of mineralised rocks from mullock heaps from old mine shafts, led the company's geologist to conclusion that there is potential for large volumes of weathered and oxidised mineralised rocks which warrant drill testing.

Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 4474*	Halls Peak
EL 5339*	Halls Peak
EL 7679*	Halls Peak
EL 8023	Broken Hill
EL 8024	Broken Hill
EL 8147	Timbarra
EL 6648	Peel Fault
EL 7863	Peel Fault
EL 7862	Peel Fault
EL 7725	Peel Fault
EL 7726	Peel Fault
EL 8161	Peel Fault
EL 8211	Peel Fault
EL 8277 ^	Peel Fault
EL 8227	Peel Fault
Disposed of in Quarter	
Nil	

Notes:

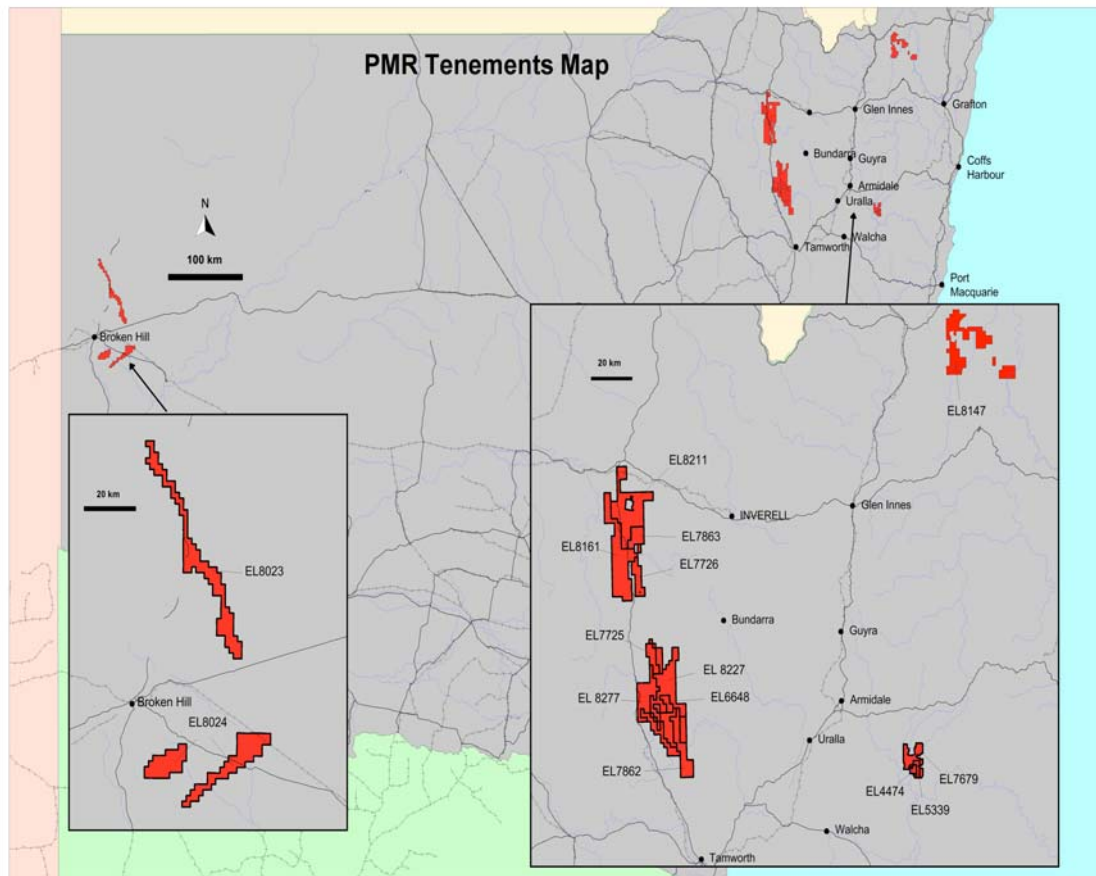
* Subject to Farm-in. These tenements are to be transferred to SOC pursuant to the proposed corporate restructure.

^ Exploration Licence Application 4897 granted and converted to EL 8277

There has been no change in beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.



PRECIOUS METAL RESOURCES LIMITED



Location map showing PMR's tenements.