



PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited
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Latest News

www.pmr.com.au

Directors / Officers

John Foley (Chairman)
Peter Kennewell (CEO)
Bruce Dennis
Michael Leu
Peter Meers

ASX Symbol: PMR

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide (VMS) deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. Current exploration aims to locate the right depositional environment to host a high-grade deposit of between 30,000 and 170,000 tonnes within a global exploration target of 5 - 70 million tonnes of mixed grade mineralisation. Several geochemical and geophysical anomalies are also present that should identify further high grade, near-surface sulphides.

Additional to the VMS prospectivity, there are indications for the presence of orogenic gold from breccia floaters and small pods of Au-rich quartz on the tenements carrying 1 to 10 g/t Au.

A substantial body of exploration data has been generated over the years by the Geological Survey of NSW and a number of major mining companies including BHP Ltd., MIM Ltd., The Zinc Corporation, Allstate Exploration NL, Carpentaria Exploration Co. Ltd., CRA Exploration Limited and Amoco Minerals Australia Co.

PMR is expanding on this work.

Company Announcement Office
Australian Securities Exchange Limited

Approach by Sovereign Gold Company Limited

The Board of Precious Metal Resources Limited (ASX: PMR) (**PMR**) wishes to advise that it has been approached on a confidential exploratory basis by Sovereign Gold Company Limited (ASX: SOC) (**Sovereign Gold**) to engage in discussions which may lead to a firm proposal by Sovereign Gold to acquire all the ordinary shares in PMR by way of an off-market takeover bid.

Sovereign Gold has raised for discussion with the Board a potential offer consideration of nine Sovereign ordinary shares for every ten PMR ordinary shares.

Sovereign Gold has expressly advised PMR that issues have been raised for discussion only, and that its approach does not, and cannot, for the purposes of section 631 of the *Corporations Act 2001*, be considered a notification by Sovereign Gold of any intention to make a takeover bid because matters are presently insufficiently definite. Despite this, the Board considers that the approach should be disclosed so the market is fully informed.

It is noted that PMR directors, Michael Leu and Peter Meers are also directors of Sovereign Gold, and have recused themselves from the discussions.

The Board has not formed a view at this stage as to the merits of the matters raised by Sovereign Gold and require time to consider them and PMR's response.

A further announcement will be made once they have formed a view.

As the approach from Sovereign Gold is incomplete and insufficiently definite, the directors recommend that shareholders take no action, and make no decision in relation to their shareholding in PMR, until a firm proposal is made and the Board has had opportunity to consider any such proposal and make a further announcement.

John Foley
Chairman

For further information please contact

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