



PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited

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Latest News

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John Foley
Non-Executive Deputy Chairman

Michael Leu
Managing 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 2004 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.

References to Mines refer to historical mines and geographical names, no inference should be made that Sovereign Gold is operating any mines at this stage of its development.

True Widths

Downhole length, true width not known. All drill intersections are stated as downhole lengths, true width not yet determined.

Halls Peak SEDEX geological modelling

The near surface high grade copper-lead-zinc-silver deposits mined at Halls Peak in the past may form part of a much larger but previously unrecognised SEDEX* style base metal province. This is supported by the large 14.29 km² flat lying conductors, typical of these provinces, mapped by the company's recent VTEM helicopter survey.

"If this were the case", according to the company's Chief Geologist, Peter Kennewell, "these smaller mines would provide support that the extensive flat lying conductors are produced by extensive flat lying beds of base metals."

"The Halls Peak Field being evaluated by the company could be a typical SEDEX style base metal province, similar in occurrence and prospectivity to the world class deposits of northern Queensland, which include Mt Isa, Hilton, George Fisher, Cannington, Century and McArthur River base metal mines".

Accordingly Precious Metal Resources Limited (**PMR**) is undertaking a study of mineralisation within such mineral provinces, both in Queensland and worldwide, to determine the manner in which the smaller high grade, copper rich base metal deposits previously mined at Halls Peak may be related to the far larger SEDEX deposits which commonly produce large flat-lying broad conductors.

Such conductors were identified from PMR's recent VTEM survey and recommended by our consultants as the main focus for ongoing exploration.

"These broad conductors are interpreted as stratigraphic, and therefore do not appear to be typical VMS targets, but may alternatively be related to sedimentary exhalative (SEDEX) style mineralisation. These stratigraphic conductors should be the main focus for ongoing exploration".

Recommendation from Southern Geosciences Consultant's Report¹

A program is being developed to test these broad conductors, at depth below Gibsons Mine, Sunnyside Mine and Faints-Firefly Mine.

The grades mined at Halls Peak during last century **were higher than grades mined in most SEDEX deposits**, which are commonly in the order of 7% lead, 5% zinc and 124 g/t silver.

Reanalysis of diamond core from earlier shallow drilling on the former open cut at Gibsons Mine confirmed high-grade intersections of base metal and silver (ASX, 19 March 2012):

**6.25 metres -
3.6% copper, 14.6% lead, 21.6% zinc and 352 g/t silver**

**6.86 metres -
2.6% copper, 8.2% zinc, 14.2% lead and 202 g/t silver**

**17.68 metres -
4% copper, 24% zinc, 15% lead and 197 g/t silver**

For further information please contact:

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* SEDEX deposits form when fluids containing base metals rise through fractures in the sea floor and deposit beds of base metals on the surrounding sea floor.

¹ ASX, 29 November 2012

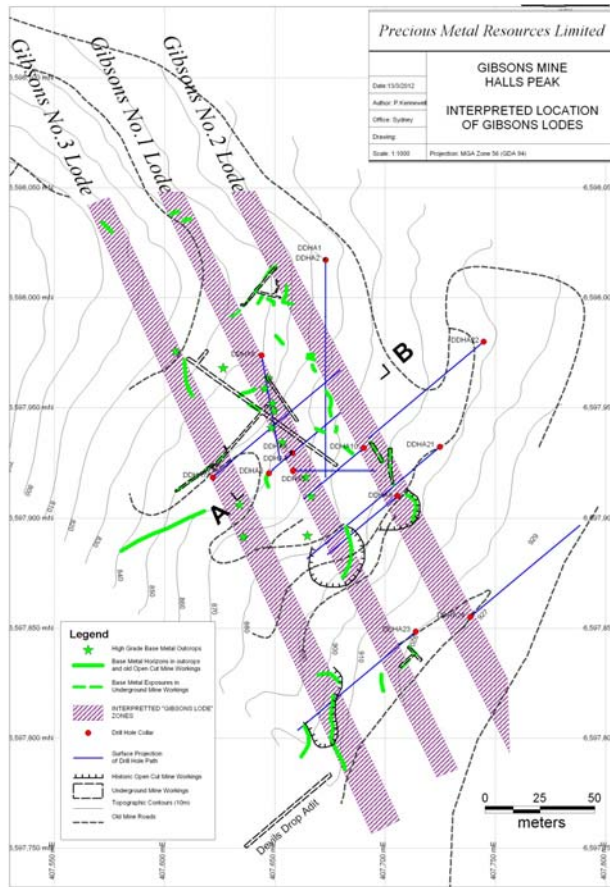


Figure 1 - Gibson's Lodes, Old Mines and Known High Grade Mineralisation

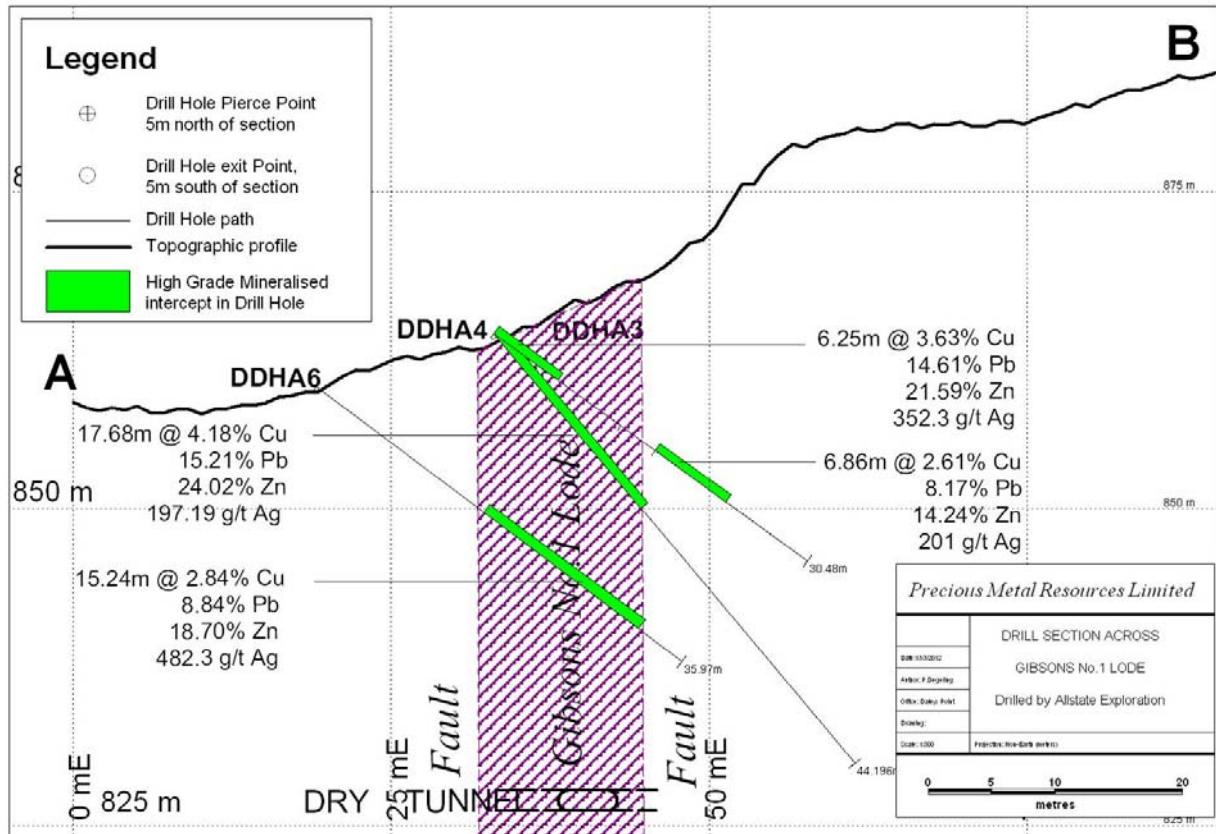
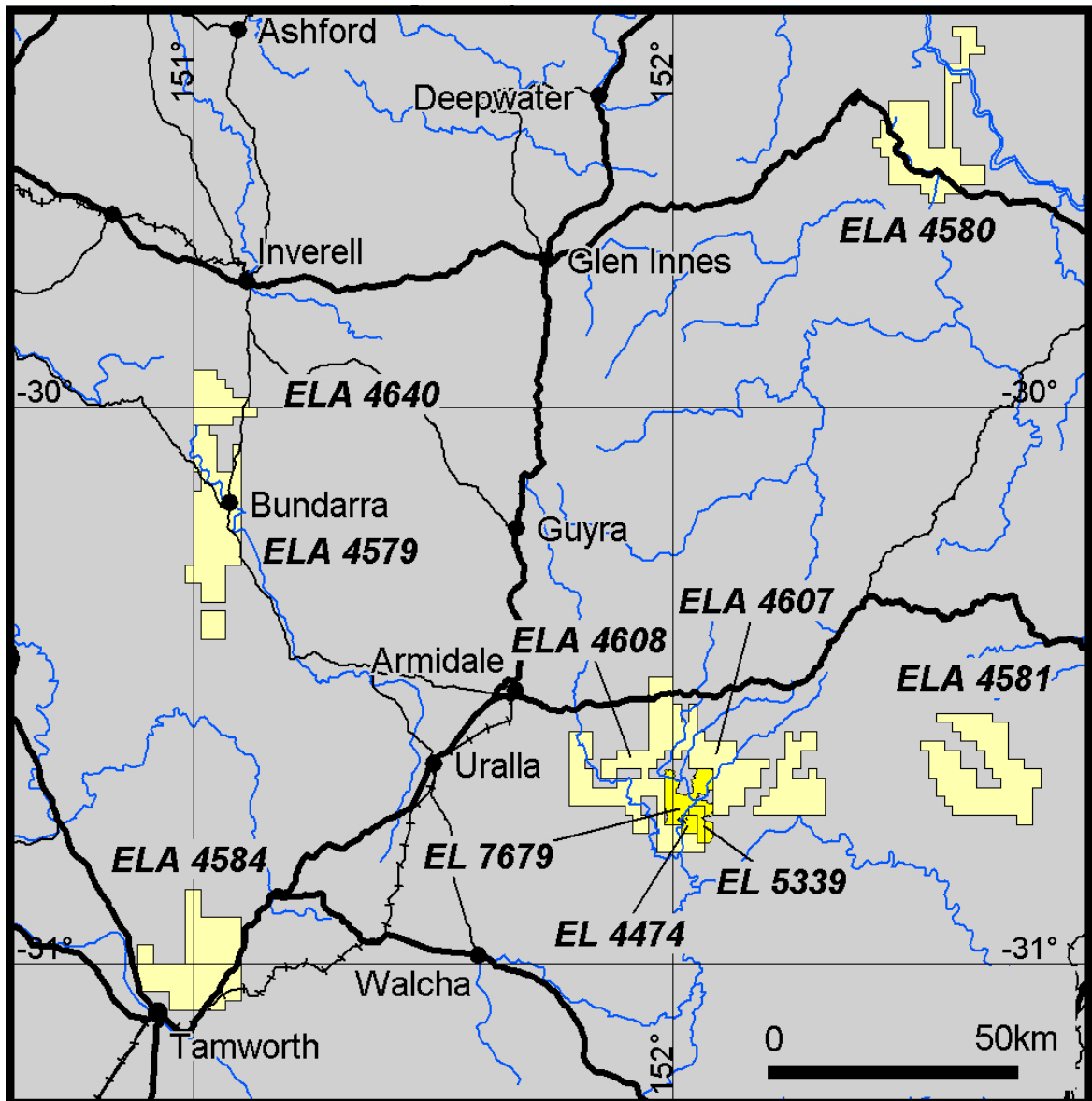


Figure 2 - Location of Allstate Diamond Drill Holes 3, 4 and 6, and Dry Tunnel, Halls Peak.



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Location map of PMR (Armidale) licences and applications