



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 announcement 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.

QUARTERLY ACTIVITIES REPORT

Quarterly Activities Statement period ending 31st December 2012.

This quarterly operations report is dated 30th January 2013 and is for the three months ending 31st December 2012.

Corporate

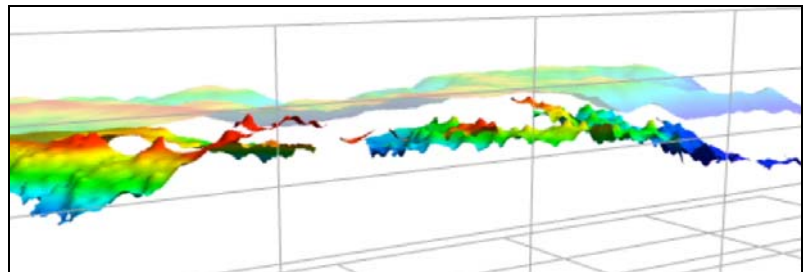
- Additional \$8 million exploration funding from Jiangsu Geology and Engineering Co Ltd (**SUGEC**) to explore New England tenements EL 4474 and EL 5339 over 2 year period under 2 further cooperation and investment agreements.
- Exploration expenditure for the six months to 31 December 2012, including SUGEC earn-in is \$529,799.

Exploration

3D modelling of VTEM survey conductive layer, Halls Peak (ASX: 11 December 2012)

3D modelling of the extensive conductive layer identified at Halls Peak commenced in the December quarter.

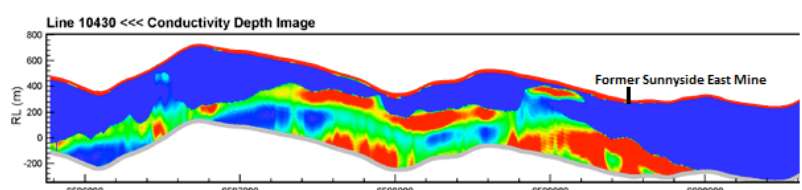
The helicopter borne VTEM survey, conducted by PMR in collaboration with SUGEC, mapped the extensive conductive layer over many parts of the Halls Peak base metals field. The modelling is aiding interpretation of the most prospective areas within PMR's project area.



Conductive layer in strong colour, overlain by the land surface in pale colour

Large conductive zones beneath former Halls Peak copper zinc lead silver mines (ASX: 29 November 2012)

Large conductive zones possibly caused by base metal mineralisation have been located at depth beneath the former Keys, Mickey Mouse, Sunnyside and Sunnyside East mines at Halls Peak, 40 km east of Armidale in northern NSW.



Conductivity Depth Image beneath the former Sunnyside East Mine.



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Interpretation by Southern Geoscience Consultants Pty Ltd has yielded detailed images showing conductivity of the rocks at depth. Clearly visible on the CDI sections are potential vertical conductors, interpreted by PMR as sulphide bearing vent zones emanating from deep within the earth. These are overlain by horizontal zones interpreted as flat-lying sediments containing sulphide minerals, which flowed from the vents onto the overlying sea floor.

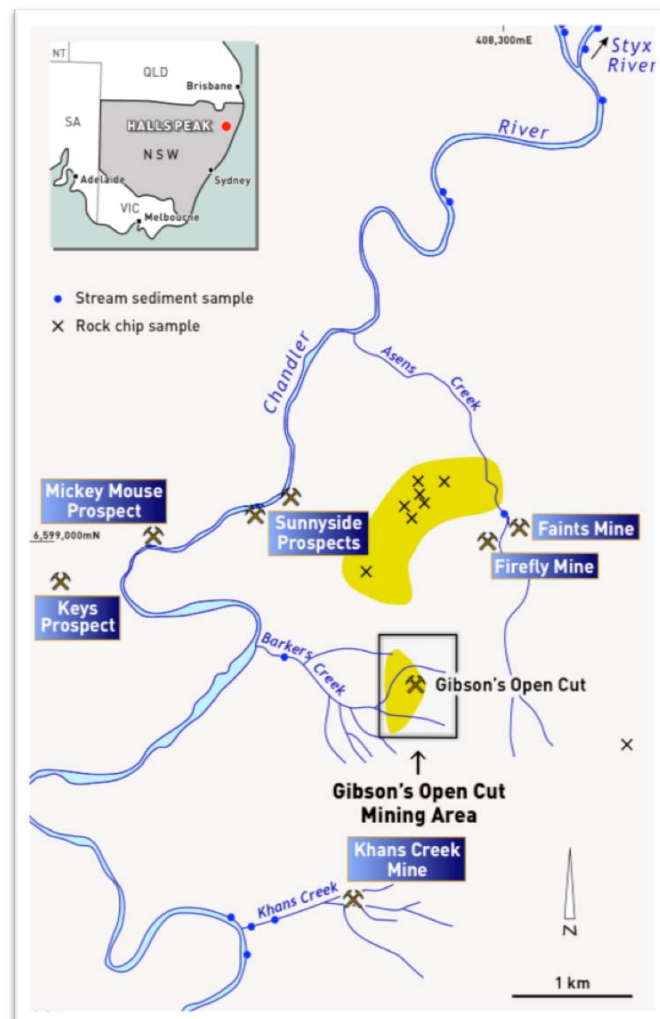
Significant gold anomalies suggest potential for Hillgrove style gold / antimony, Halls Peak (ASX: 23 October 2012)

Significant gold anomalies suggesting potential for Hillgrove style gold/antimony deposits have been recognised during digitising of soil geochemical data from Halls Peak. The anomalies are consistent with geochemistry from orogenic fault vein type gold occurrences, with anomalous stibnite mineralisation. The western margin of the occurrence is 400 metres east of Gibson's Lode.

Gold was also assayed during routine copper, lead, zinc and silver soil and rock chip sampling by Amoco Minerals during their exploration in 1983 (GS 1983/360). PMR is conducting a program of digitising historic gold data. This program led to recognition of grades in excess of 0.4 grams/tonne (0.4 ppm) of gold from many soil geochemical samples.

Subsequent search for the source of these anomalies has located narrow veins a few cm to 20 cm wide, floaters, and small pods of mineralisation. The rock's green colour is due to the presence of scorodite, a common mineral in orogenic gold occurrences.

These occurrences show brittle/ductile deformation and large fluid inclusions, and the chemistry demonstrates a low sulphidation environment, all typical of orogenic gold occurrences.



Location of Faints-Firefly Area and Gibsons Open Cut Area



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High-grade copper/ lead/ zinc pods at Halls Peak (ASX: 8 October 2012)

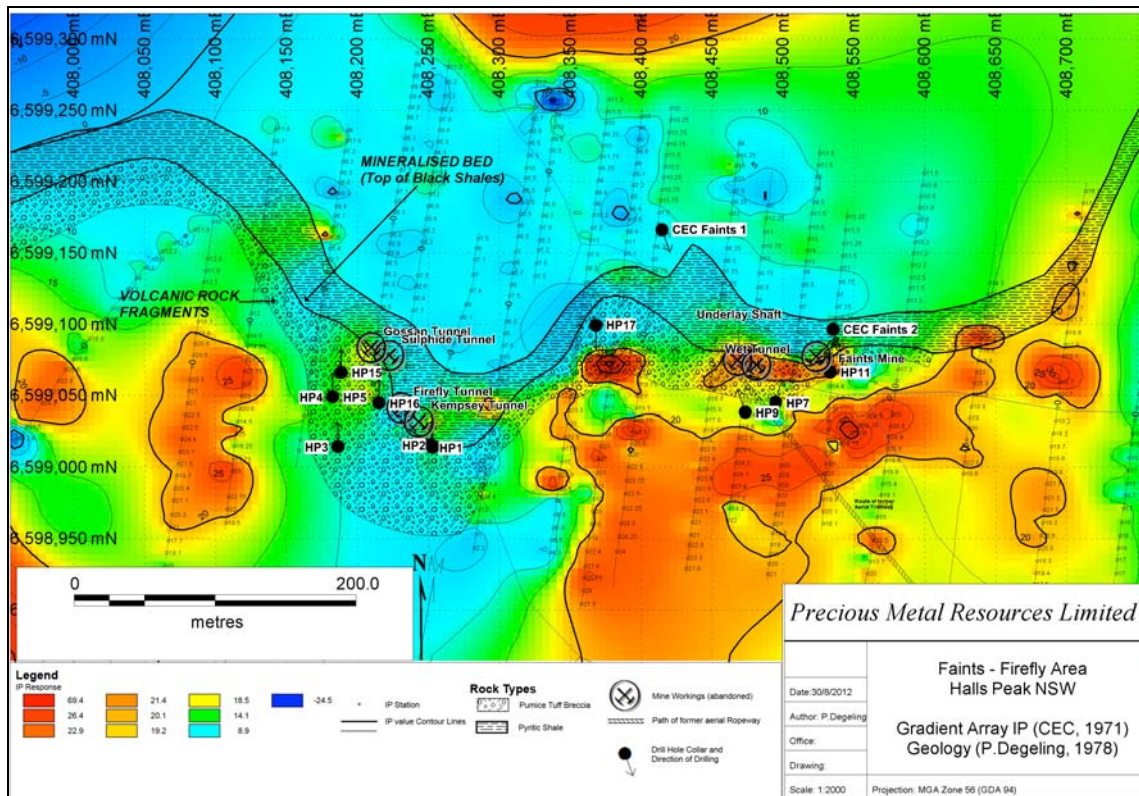
High grade copper-lead-zinc-silver bearing lenses and pods, each containing several hundred tonnes of mineralisation, have been shown to occur within the upper part of one continuous black shale bed at the historic Faints-Firefly mining area, Halls Peak. Pods in this bed were mined in at least seven localities, including the Gossan Tunnel, Silver Tunnel, Firefly Tunnel, Kempsey Tunnel, Underlay Shaft and Faints Mines. This bed containing lenses and pods extends more than 600 metres along outcrop.

The black shale bed hosting the high-grade pods was located by recent assaying. This demonstrated highly anomalous base metal and silver grades over many metres in previously unassayed core holes drilled during past exploration.

Total recorded production from all these workings amounted to 1,600 tonnes of sulphide and oxide mineralisation. The sulphide ore had an estimated average grade of 1.06% copper, 20.86% lead, 31.89% zinc and 29.6 ozs/tonne silver (Mines Dept. Annual Report, 1923).

These pods are interpreted as high-grade “black smoker” hot spring vents on the muddy sea floor.

These mineral bearing springs are interpreted to have flowed from the surface of the sea floor in which the black shales were being deposited. Columns of high-grade copper-lead-zinc-silver (“black smokers”) formed over these vents, and were subsequently buried by additional mud layers. It is these, and the mineralised vents from which they flowed, that were mined selectively in the past.



Drill Hole Locations and IP Anomalies, Faints-Firefly Area.

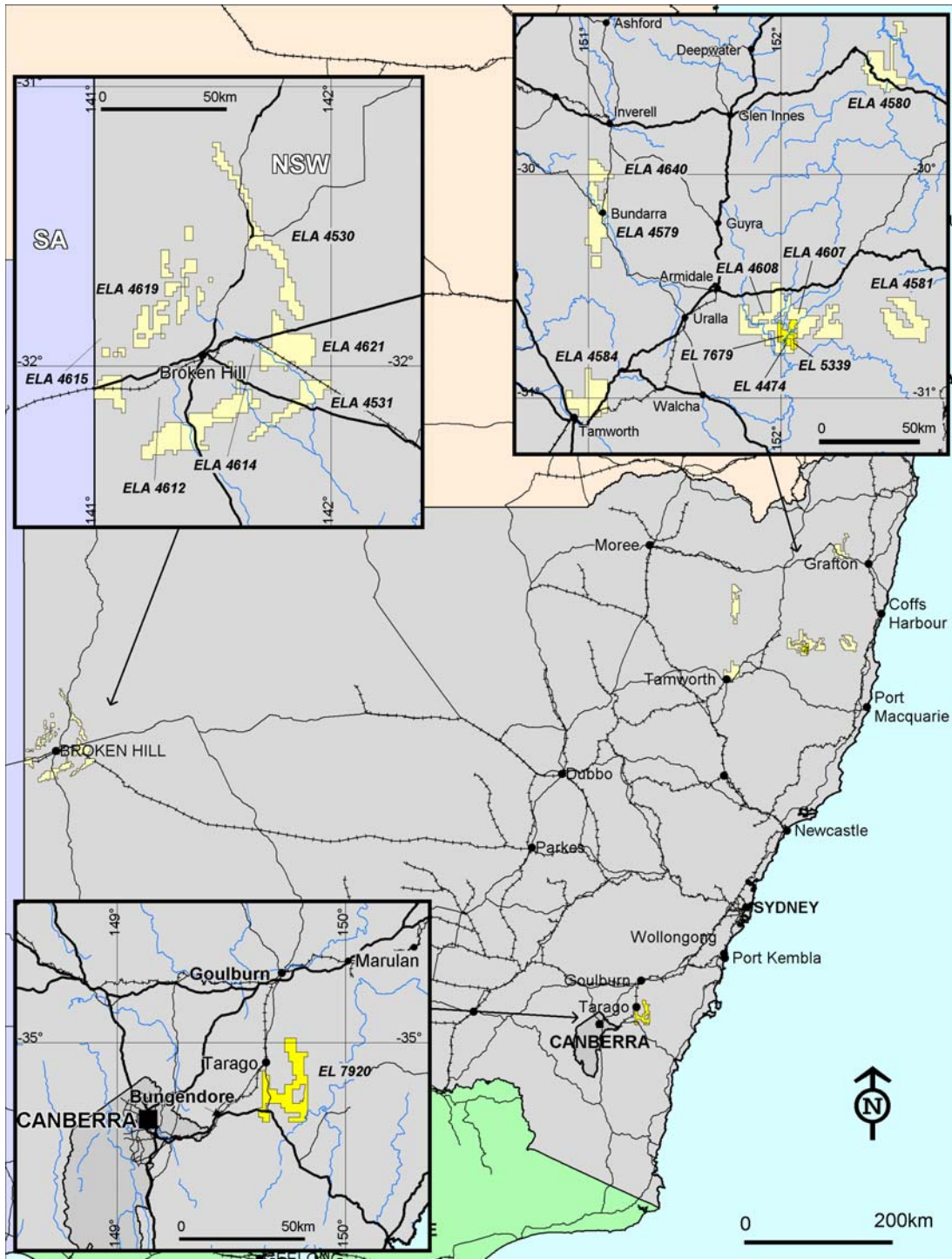
JORC Code Compliant Public Reports

The Company advises that this Quarterly Operations Report contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”).

The source of these summaries is identified in the body of this Quarterly Operations Report (under the relevant heading). The Code-compliant Public Reports or Public Reporting on which the summaries are based can be viewed on the ASX and the Company’s website (www.pml.com.au) and the Company will provide these reports, free of charge, to any person who requests it.



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Location map of PMR licences and applications December 2012