

PMR CHAIRMAN'S ADDRESS – AGM MAY 2014

Good Morning Ladies and Gentlemen,

Welcome to the 2014 Annual General Meeting of Precious Metals Resources Limited.

As I outlined in the Chairman's Review in the Annual Report, 2013 was a year of steady progress for the Company in relation to our exploration effort. Subsequently it became clear to the Board that it was necessary to streamline our corporate structure in order to focus our exploration efforts, reduce costs and provide ongoing funding flexibility in order to unlock the unrecognised value in the Company. To that end we have proposed a corporate restructure which I will speak about in a moment.

Shareholders can be comforted in the fact that the share price of PMR throughout the past year has actually outperformed most of its exploration peers despite currently trading off recent highs. That is testament to the tireless efforts of the Board and staff of PMR who work diligently to continuously deliver value to shareholders.

The acquisition of a 100% interest in the Peel Fault Gold Project in November 2013, originally under Joint Venture agreement with Mount Adrah Gold Limited (previously Gossan Hill Gold), marked the beginning of that important corporate transition period. Now that the project is wholly-owned it will allow the Company more time and flexibility in its ongoing funding options.

The plan is to drill test several areas of historical gold workings over the remainder of 2014 targeting extensions to the old workings and new discoveries. Our hope is to establish an initial resource base, rapidly develop economic shallow, open cut projects and deliver an early revenue stream from which to grow further.

Initial exploration at our Hortons and Broken Hill Projects has also been encouraging and we hope to follow up that early stage success by drilling several prioritised targets which have been identified.

Subsequent to the end of the financial year the Board recognised that a more efficient corporate structure would eliminate the unnecessary corporate

overhead in managing the SUGEC relationship at Halls Peak, and deliver a more concentrated management focus on our 100%-owned Peel Fault Gold Project. The proposal will also effectively eliminate the perceived 'overhang' in relation to the Sovereign Gold shareholding in PMR and also lay the platform for improved trading liquidity, a necessary ingredient for unlocking shareholder value.

The Board believes this focus is a sensible and responsible outcome for all shareholders as it will deliver;

1. A much simpler corporate structure,
2. Streamline overheads and reduce costs,
3. Provide funding flexibility, and
4. Deliver as single focus approach to projects and assets

This will allow capital markets to more easily value the assets and unlock some of the unrecognised value within the Company.

Following a successful corporate restructure with Sovereign Gold, PMR will be able to concentrate its management efforts on developing and expanding the Peel Fault Gold Project whilst still retaining an exposure to the SUGEC JV success through its interest in SOC.

On behalf of the Board I would like to thank you for your continuing support as we look forward to another exciting year for the Company.

Thank you and good morning.

Mr John Dawkins AO
Chairman