

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Precious Metal Resources Limited

ABN

88 145 105 148

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(244)	(422)
(b) development	-	-
(c) production	-	-
(d) administration ¹	(449)	(1074)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	5
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(693)	(1492)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	710
1.12 Other (advance from other entity)	690	815
Net investing cash flows	690	1525
1.13 Total operating and investing cash flows (carried forward)	(3)	33

¹ Adjustment made to take up full period expenditure – monthly average is ~ \$60,000.

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1.13	Total operating and investing cash flows (brought forward)	(3)	33
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other share issuing costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(3)	33
1.20	Cash at beginning of quarter/year to date	211	175
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	208	208

*The balance of a secured loan is \$296,000. If called the available cash would increase to \$504,000

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2*	41
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

*Represent salaries and on cost to Peter Kennewell and Jacob Rebek, director of the company, for services provided.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	822	822
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation ⁵	50
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	150

⁵ This amount does not include amounts being spent pursuant to farm-in or other earn-in agreements.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	15	18
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (security deposit)*	193	193
Total: cash at end of quarter (item 1.22)	208	211

*The balance of a secured loan is \$296,000. If called the available cash would increase to \$504,000

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL 8016 EL 8018 EL 7996 EL 7997	Exploration Licence	100%	0%
6.2 Interests in mining tenements acquired or increased	EL6648, EL7863 EL7862, EL7725 EL7726, EL 8161 EL 8211	Exploration Licence	0%	100%

+ See chapter 19 for defined terms.

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	87,000,000	87,000,000*	-	-
7.4 Changes during quarter				
(a) Increases through issues	2,000,000	2,000,000	40 cents	40 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	<i>Total Number</i>	<i>No quoted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
	1,950,000	Nil	30 cents	24/10/2016
	1,650,000	Nil	30 cents	06/12/2014
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

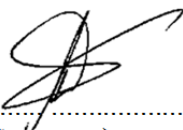
*10,000,000 shares were released from escrow

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:


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(Company Secretary)

Date: 31 January 2014

Print name: Henry Kinstlinger

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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