

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 2012

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	(92)	(562)
(b) development	-	-
(c) production	-	-
(d) administration ¹	(262)	(799)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(354)	(1,336)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities ²	441	(575)
1.11 Loans repaid by other entities	-	638
1.12 Other (provide details if material)	-	-
Net investing cash flows	441	62
1.13 Total operating and investing cash flows (carried forward)	87	(1,274)

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

² The balance of a secured loan is \$963,979. If called the available cash would increase to \$1,137,979

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	87	(1,274)
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	-	(111)
	Net financing cash flows	-	(111)
	Net increase (decrease) in cash held	87	(1,385)
1.20	Cash at beginning of quarter/year to date	88	1,560
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter³	175	175

³ The balance of a secured loan is \$963,979. If called the available cash would increase to \$1,137,979

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, 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

+ See chapter 19 for defined terms.

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation ⁵	100
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	250

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	28
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (security deposit)	160	60
Total: cash at end of quarter (item 1.22)⁴	175	88

⁴ The balance of a secured loan is \$963,979. If called the available cash would increase to \$1,137,979

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		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	EL 8017	Exploration Licences	0%	100%
	EL 7998	Exploration Licences	0%	100%
	EL 7999	Exploration Licences	0%	100%
	EL 8000	Exploration Licences	0%	100%
	EL 8015	Exploration Licences	0%	100%
	EL 8016	Exploration Licences	0%	100%
	EL 8018	Exploration Licences	0%	100%
	EL 8023	Exploration Licences	0%	100%
	EL 8024	Exploration Licences	0%	100%
	EL 7996	Exploration Licences	0%	100%
	EL 7997	Exploration Licences	0%	100%

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	85,000,000	75,000,000	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(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

+ See chapter 19 for defined terms.

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>	-	-	-	-

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 ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:  Date: 30th January 2013
(Company Secretary)

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.

== == == == ==

+ See chapter 19 for defined terms.