



PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited
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Latest News

www.pmr.com.au

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ASX Symbol: PMR

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide (VMS) deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. Current exploration aims to locate the right depositional environment to host a high-grade deposit of between 30,000 and 170,000 tonnes within a global exploration target of 5 – 70 million tonnes of mixed grade mineralisation (see exploration target note). Several geochemical and geophysical anomalies are also present that should identify further high grade, near-surface sulphides.

Additional to the VMS prospectivity, there are indications for the presence of orogenic gold from breccia floaters and small pods of Au-rich quartz on the tenements carrying 1 to 10 g/t Au.

A substantial body of exploration data has been generated over the years by the Geological Survey of NSW and a number of major mining companies including BHP Ltd., MIM Ltd., The Zinc Corporation, Allstate Exploration NL, Carpentaria Exploration Co. Ltd., CRA Exploration Limited and Amoco Minerals Australia Co.

PMR is expanding on this work.

Company Announcement Office
Australian Securities Exchange Limited

Continued high-grade intersections of base metal and silver, Gibson's Mine, Halls Peak

6.25 metres -

3.6% copper, 14.6% lead, 21.6% zinc and 352 gm/t silver

6.86 metres -

2.6% copper, 8.2% zinc, 14.2% lead and 202 gm/t silver

17.68 metres -

4% copper, 24% zinc, 15% lead and 197 gm/t silver

Precious Metal Resources Limited (PMR) is conducting exploration over three tenements at Halls Peak, 80 km southeast of Armidale, New South Wales, Australia.

PMR's investigation of diamond core archived at the WB Clarke Geoscience Centre at Londonderry, NSW continues to identify previously unrecognised mineralisation.

The core currently being tested is from Allstate Explorations NL (Allstate) diamond drilling program conducted in 1969.

Diamond drill holes DDH 3 & 4 intersected the Gibson's No 1 Lode and confirmed the grades obtained previously in Allstate DDH 6, drilled beneath them. The holes were drilled and partly assayed in 1969, but comprehensively logged and assayed only recently by PMR (Table 1). They confirm a near vertical dip of Gibson's Lode and a 12 metre wide mineralised zone.

Gibsons No 1 Lode was also intersected at a depth of 40 metres by the "Dry Tunnel", originally opened up in 1914, and was shown to comprise "country rock, very siliceous" and thin bands of high grade mineralisation. No assays of this mineralisation were completed (NSWGS Report 37, 1963). This silicification of the bedrock demonstrates flow of mineralising solutions within Gibsons Lode, and the possibility that the mineralising system is continuing to depth.

Three lodes carrying base metal and silver mineralisation have been identified at Gibson's Mine, Halls Peak.

These zones have been historically mined by underground tunnels and open cuts in the past, and the extracted high grade direct shipping ore was railed to the Cockle Creek smelter near Newcastle, and directly smelted.

Lodes 1 - 3 are shown on Figure 3, together with the historical open cuts and underground mines which produced from them. Each of these lodes is over five metres wide and extends for at least 250 metres, with poor outcrop due to surface weathering.

Bedrock has been crushed and altered to clays within these lodes, with faults (bedrock fractures with movement) forming their boundaries. These lodes are zones of weakness up which vents carrying base metal to the former sea floor have developed, and in places they have been filled with massive base metals. These vents may have been broken up by the fault movement in the bedrock in many places, forming discontinuous pods enclosed within the lower grade crushed rock.



These pods of banded zinc-lead-copper mineralisation range from centimetre fragments to large elongated bodies over 25 metres in length. The banding and high copper content within them suggest an origin as vents depositing base metals on the overlying sea floor. Narrow but high grade veins of mineralisation extend at right angles from these larger lodes, and have also been mined in the past. Smaller pods of high-grade base metals also occur throughout the surrounding bedrock.

Recent Assaying Results

PMR continues to systematically log and assay over 4,000 metres of core from Halls Peak, preserved at the core library. All cores from the sixteen holes drilled at Gibson's Mine have now been logged, and samples are being progressively sent for assay. Cores from other former mines within the base metal field will also be logged and sent for assay.

Very little of this prospective core was assayed when the drilling was carried out in 1960s and 70s. Thicknesses of apparently mineralised rocks were not assayed at that time. This is now being remedied, with all drill core with potential to carry mineralisation being assayed.

For further information please contact

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SAMPLE METHODOLOGY

True width of the mineralized zones in Allstate DDH 3: 0 to 6.5 metres is 5.2 metres. 15.69 to 22.56 metres is 5.5 metres. True width of the mineralized zones in Allstate DDH 4: 0 to 17.07 metres is 13.3 metres. Allstate DDHs 3 and 4 were NX core drilled and the core was slabbed for assaying. Average core recoveries were 50 – 100%. Assay samples were crushed and pulverized to 85% >75 micron, and assayed by four acid ICP-MS procedures; high-grade results were then verified at ore grade four acid (OG-62).

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.



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Table 1 - Recent assays of holes Allstate DDH 3 and DDH 4

Allstate DDH 3

| Top (m) | Base (m) | Thickness (m) | Ag Grade (gm/tonne) | Cu Grade (%) | Pb Grade (%) | Zn Grade (%) | Weighted Average Grades |
|---------|----------|---------------|---------------------|--------------|--------------|--------------|--|
| 0 | 2.59 | 2.59 | 422 | 4.13 | 13.75 | 20.30 | 6.25m at Cu: 3.63%, Pb: 14.61%, Zn: 21.59%, Ag: 352 (gm/tonne) (11.4 ozs/tonne) |
| 2.59 | 3.96 | 1.37 | 303 | 3.31 | 14.50 | 23.70 | |
| 3.96 | 6.25 | 2.29 | 303 | 3.25 | 15.65 | 21.80 | |
| 6.25 | 9.60 | 3.35 | 21 | 0.42 | 0.98 | 1.45 | |
| 9.60 | 12.34 | 2.74 | 7 | 0.06 | 0.31 | 0.51 | |
| 12.34 | 15.70 | 3.35 | Cavity | | | | |
| 15.70 | 17.98 | 2.29 | 276 | 4.20 | 15.80 | 26.60 | 6.86m at Cu: 2.61% Pb: 8.17% Zn: 14.24% Ag: 201.89 gm/tonne (6.51 ozs/tonne) |
| 17.98 | 20.04 | 2.07 | 268 | 3.40 | 8.04 | 14.95 | |
| 20.04 | 22.56 | 2.50 | 81 | 0.53 | 1.37 | 2.49 | |
| 22.56 | 25.60 | 3.05 | 4 | 0.07 | 0.14 | 0.70 | |
| 25.60 | 28.35 | 2.74 | 5 | 0.07 | 0.03 | 0.68 | |
| 28.35 | 30.48 | 2.13 | 1 | 0.00 | 0.01 | 0.61 | |

Allstate DDH 4

| | | | | | | | |
|-------|-------|------|-------|------|-------|-------|--|
| 0.30 | 3.05 | 2.75 | 188 | 5.53 | 18.65 | 27.1 | 17.68m at Cu:4.18% Pb: 15.21% Zn: 24.02% Ag: 197.19gm/tonne (6.36 ozs/tonne) |
| 3.05 | 4.73 | 1.68 | 169 | 3.67 | 15.45 | 23.60 | |
| 4.73 | 7.47 | 2.74 | 117 | 3.46 | 10.80 | 18.25 | |
| 7.47 | 9.30 | 1.83 | 158 | 4.31 | 15.00 | 24.60 | |
| 9.30 | 10.52 | 1.22 | 165 | 4.02 | 15.45 | 23.70 | |
| 10.52 | 10.97 | 0.45 | 201 | 4.01 | 14.45 | 24.20 | |
| 10.97 | 12.80 | 1.83 | 337 | 4.38 | 16.50 | 28.20 | |
| 12.80 | 15.24 | 2.44 | 236 | 4.38 | 18.35 | 31.20 | |
| 15.24 | 17.07 | 1.83 | 299 | 4.93 | 12.65 | 23.70 | |
| 17.07 | 17.83 | 0.76 | 27.90 | 0.55 | 1.27 | 2.40 | |
| 17.83 | 17.98 | 0.15 | 159 | 2.78 | 10.35 | 18.45 | |
| 17.98 | 20.67 | 2.68 | 7.98 | 0.11 | 0.22 | 0.70 | |
| 20.67 | 20.88 | 0.21 | 13.30 | 0.25 | 0.63 | 1.70 | |

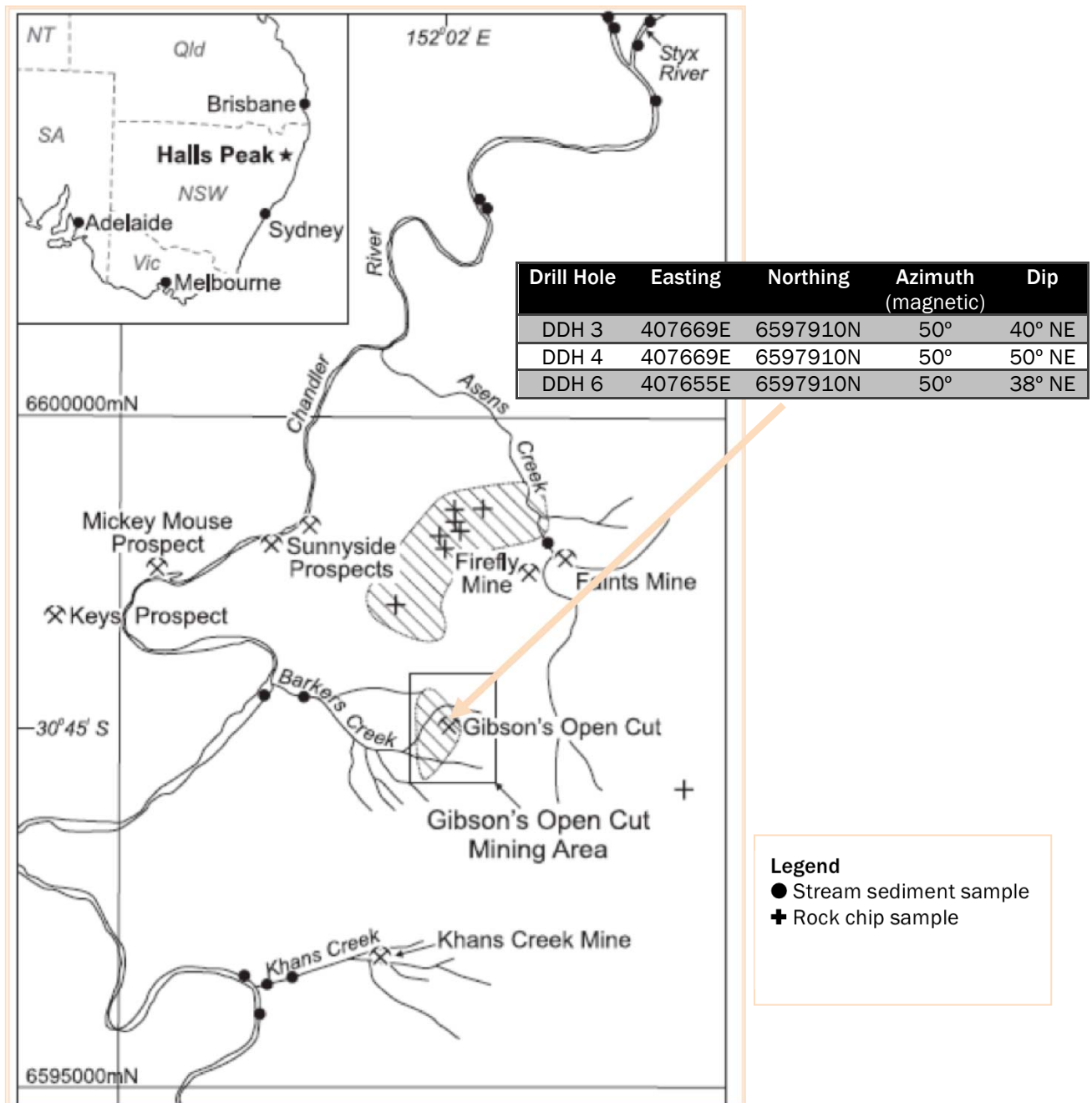


Figure 1 – Gibson Open Cut location map

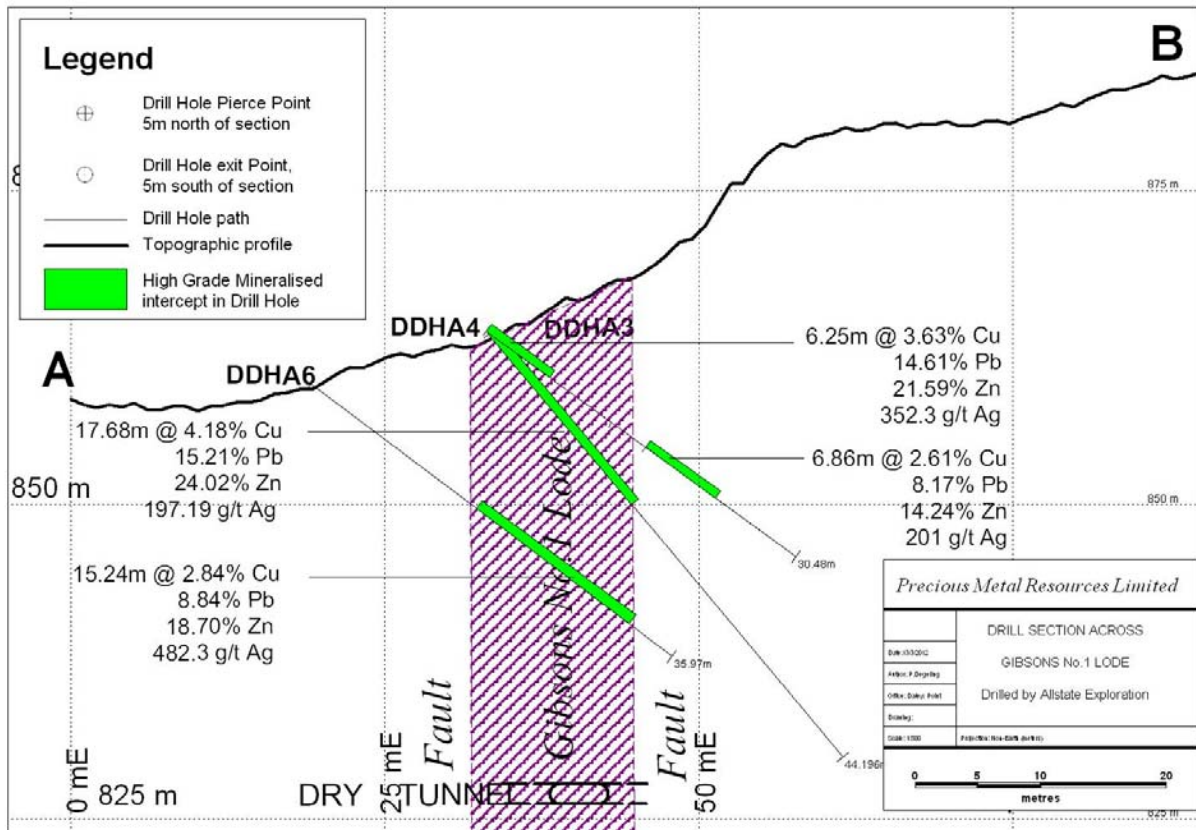


Figure 2 - Location of Allstate Diamond Drill Holes 3, 4 and 6, and Dry Tunnel, Halls Peak.

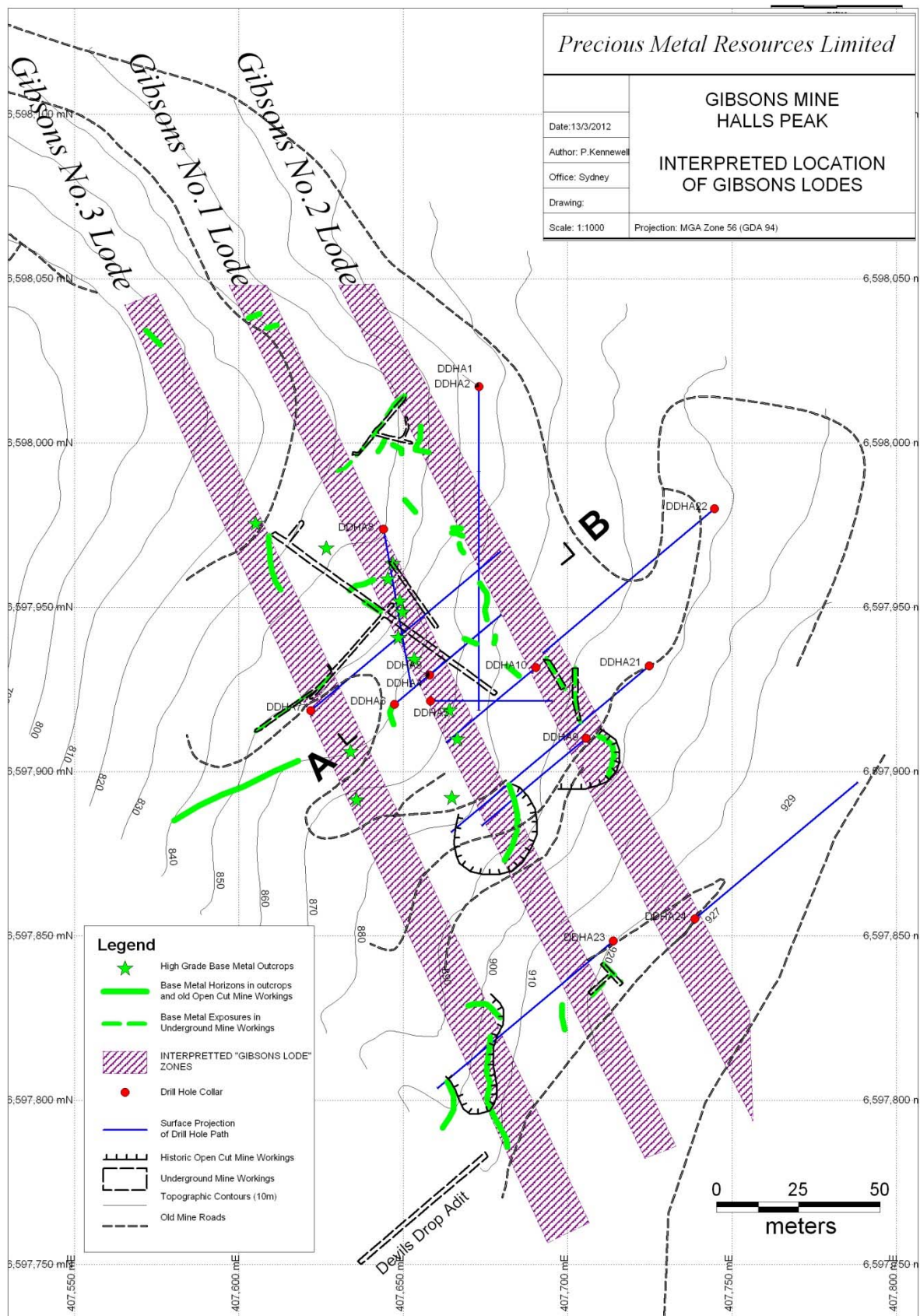


Figure 3 - Gibson's Lodes, Old Mines and Known High Grade Mineralisation

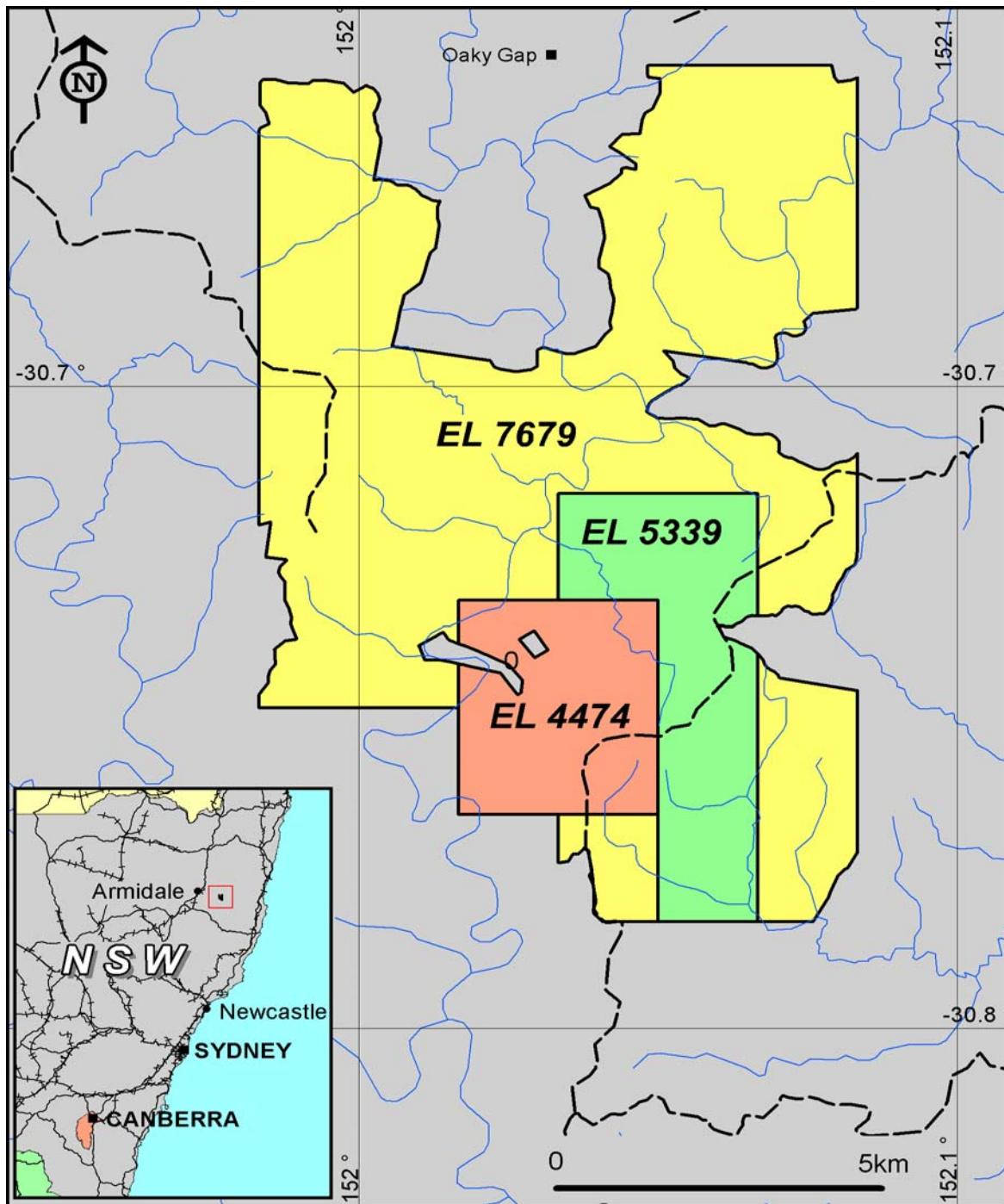


Figure 4 - The PMR Tenements, located 80 km southeast of Armidale, New South Wales, Australia.