ASX Release
23rd October 2012

PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited
ACN 145 105 148

Level 2, 131 Macquarie Street
Sydney NSW 2000
Tel: +61 2 9251 7177
Fax: +61 2 9251 7500

Contact
Michael Leu
Managing Director

Email: mleu@pmrl.com.au

Latest News
www.pmrl.com.au

Directors / Officers

John Dawkins AO
Non-Executive Chairman

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

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[ET] within a global exploration target of 5 – 70 million tonnes[ET] of mixed grade mineralisation. 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.

Company Announcement Office
Australian Securities Exchange Limited

23 October 2012

SIGNIFICANT GOLD ANOMALIES SUGGEST POTENTIAL FOR HILLGROVE STYLE GOLD/ANTIMONY DEPOSITS

Digitising of Geochemical Data Outlines Orogenic Gold Potential, Halls Peak

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. These anomalously high gold values are shown in light blue on the digitised map below (Figure 4).

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 illustrated in Figure 1. 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.

Floaters indicate this style of mineralisation is widespread. The lateral and vertical extent of this fault vein mineralisation is unknown due to poor outcrop and limited subsurface exploration. Figure 2 illustrates the extent and vertical depths of the veins in the nearby Hillgrove gold/antimony field, which is of similar origin.

Three sub parallel, major faults extend through the Halls Peak area, and are characterised by strong rock fracturing and alteration. The gold anomalies shown in Figure 4 similarly display a crude northeast-southwest alignment of the digitised gold data, suggesting that they are confined to a similarly oriented fractured and altered zone.

In general, values of other metals are anomalous, due to either Halls Peak type mineralisation, or orogenic gold mineralisation:

Copper anomalism shows a distinct linear feature trending east northeast parallel to the regional faults, suggesting upward movement of copper bearing solutions along a zone of weakness parallel to these regional faults. This is likely to be unrelated to the orogenic gold.

Lead is anomalous throughout the area surveyed, but has several very prominent highs suggesting outcropping mineralised beds. A search for outcrops of these rocks is planned.

[ET] **Exploration Targets:** The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Zinc is transported by groundwater and hence is very widespread.

Silver commonly occurs in lead minerals at Halls Peak, but in this case appears to be associated with the gold anomalies, suggesting an origin within the orogenic gold mineralisation. Its occurrences will be examined to see if gossans (weathered mineralisation) are present on the prominent anomalies.

Rock chip samples taken by Amoco Minerals Australia (GS 1983/357), gave the assays below, recently interpreted as supporting potential for an orogenic gold origin for the mineralisation:

Easting	Northing	Au g/t	Antimony %	Arsenic %	Silver ppm	Copper ppm	Lead ppm	Zinc ppm
409820	6598210	**5.24**	0.17	-	15.4	342	5520	124
409820	6598225	**5.25**	-	-	4.2	302	1480	1930
409820	6598225	**4.70**	-	1.40	4.0	340	660	3400
409795	6598220	**1.10**	-	-	-	-	-	-
409760	6598220	**0.68**	-	-	-	-	-	-
409410	6598180	**1.45**	-	-	-	-	-	-

For further information please contact:
Henry Kinstlinger
Investor Relations

Telephone: +61 2 9251 7177

Figure 1 – Source rock for anomalous gold.

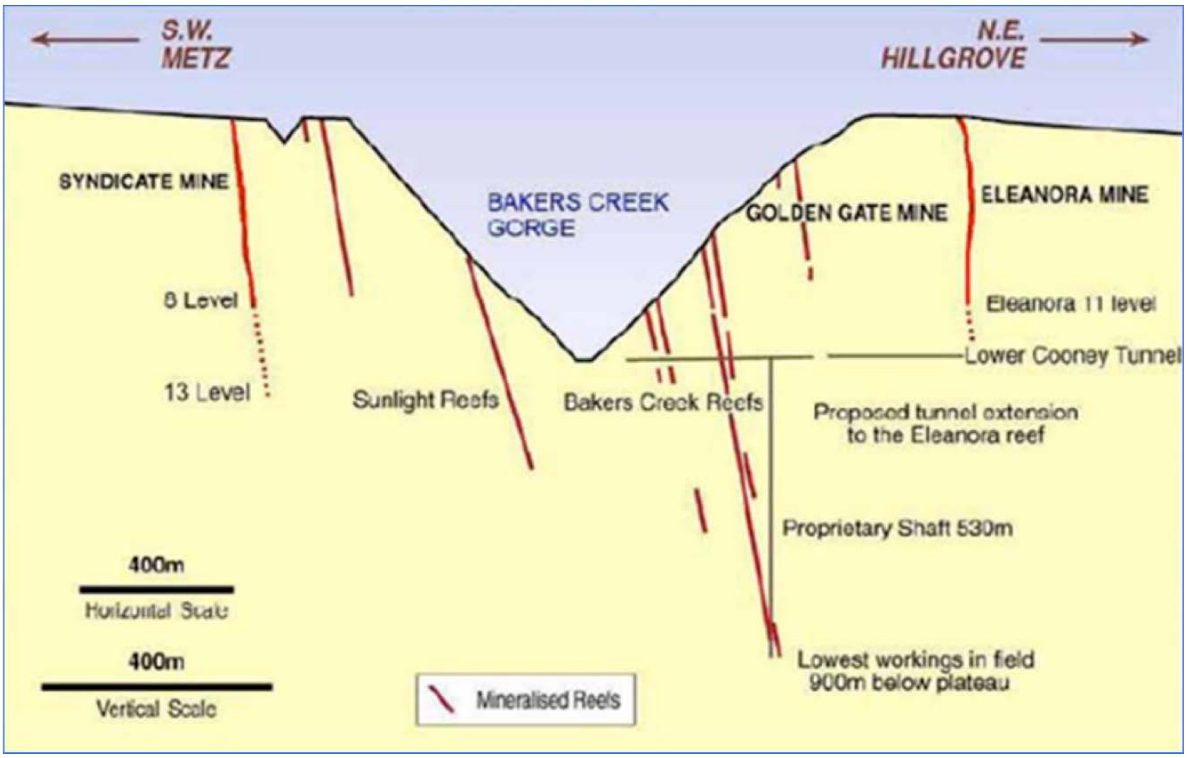

Figure 2 – Typical Cross Section, Hillgrove Orogenic Gold Lodes

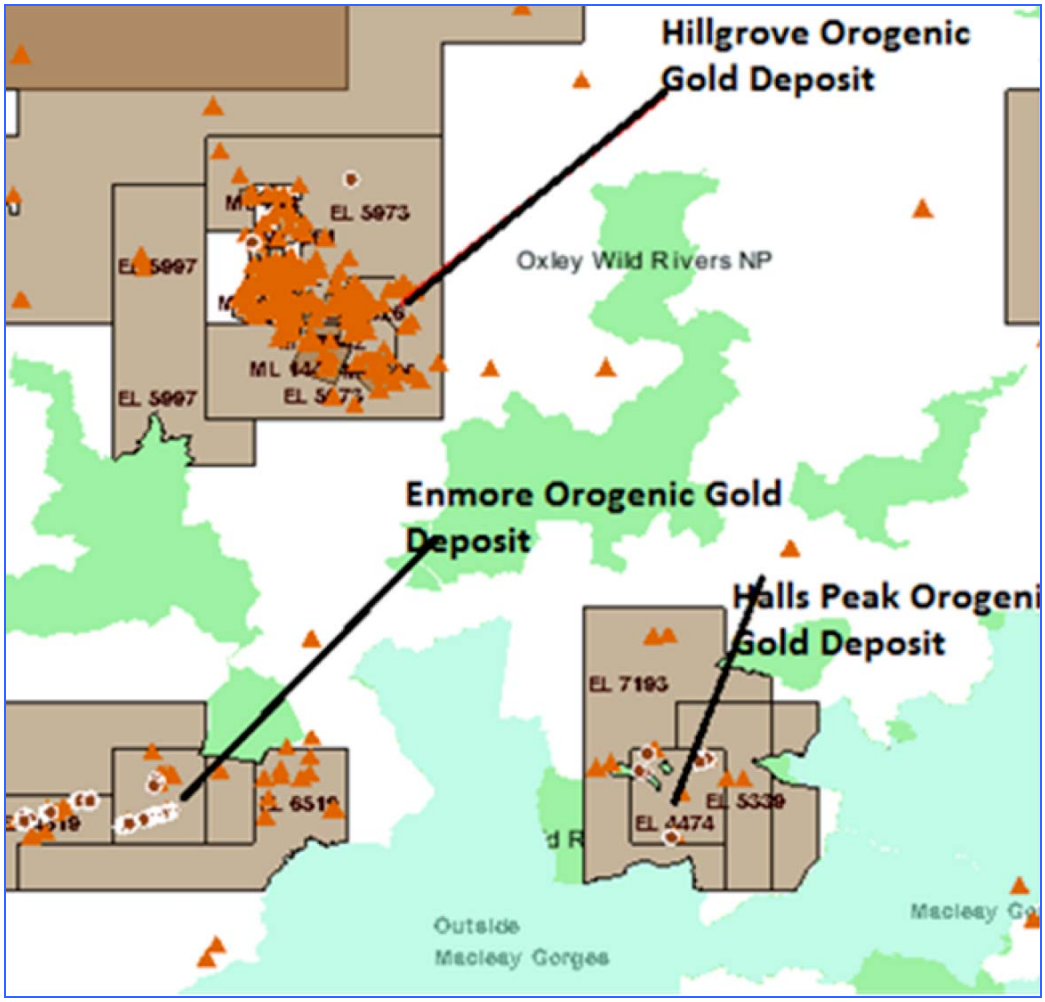

Figure 3 – Proximity of Halls Peak to Hillgrove and Enmore Orogenic Gold Deposits (both 20 km distant).

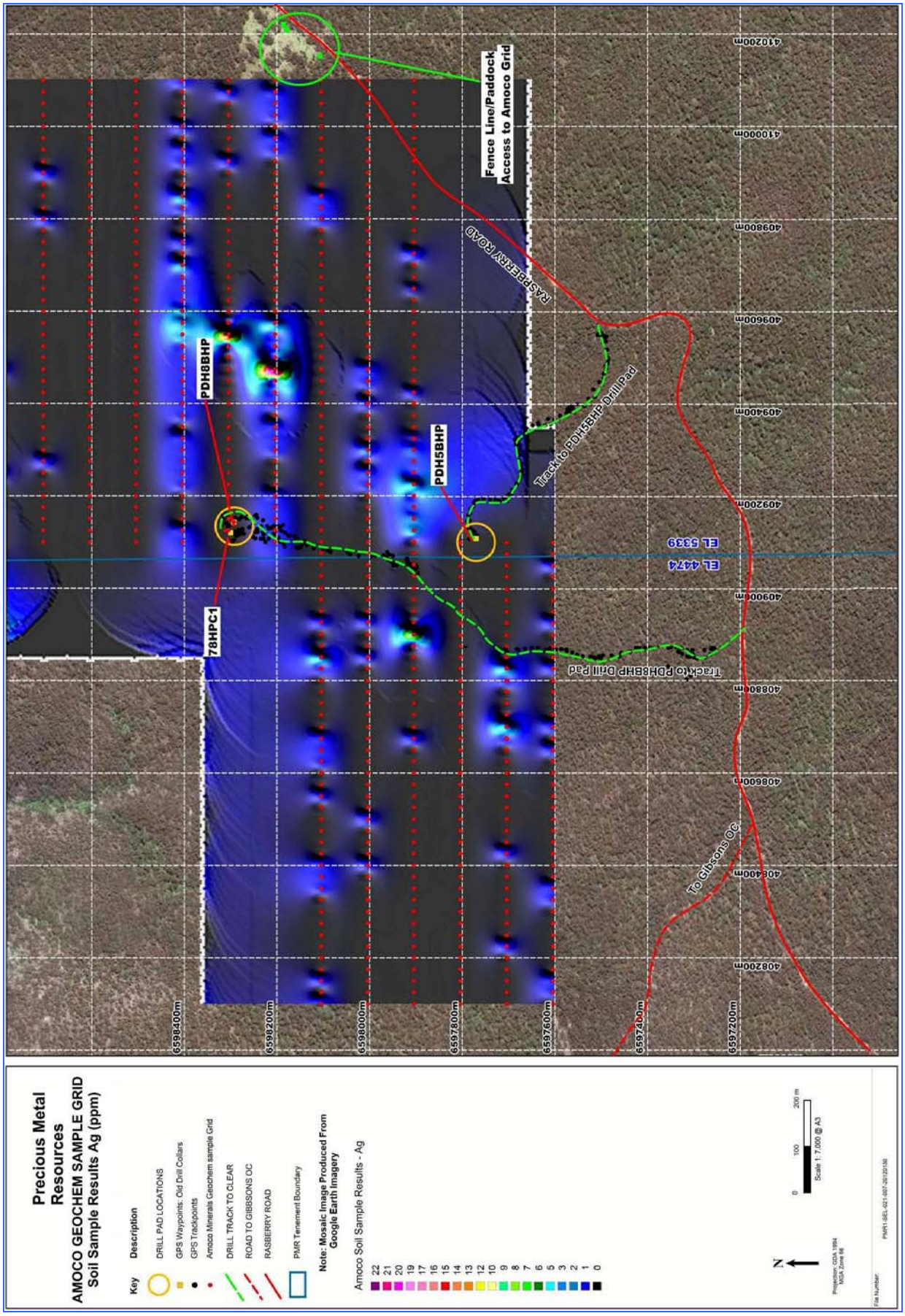

Figure 4 – Anomalous Gold Soil Geochemistry at Halls Peak.

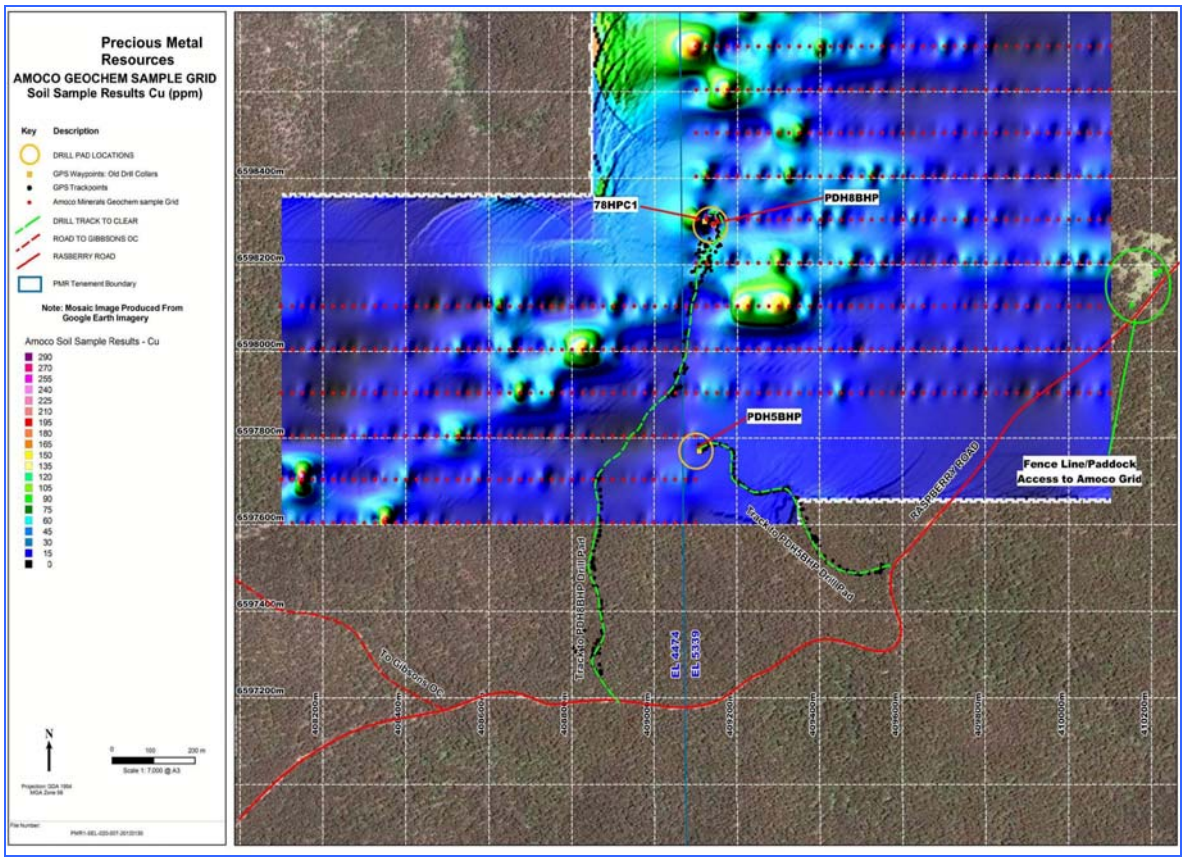

Figure 5 – Anomalous Copper Soil Geochemistry, Halls Peak.

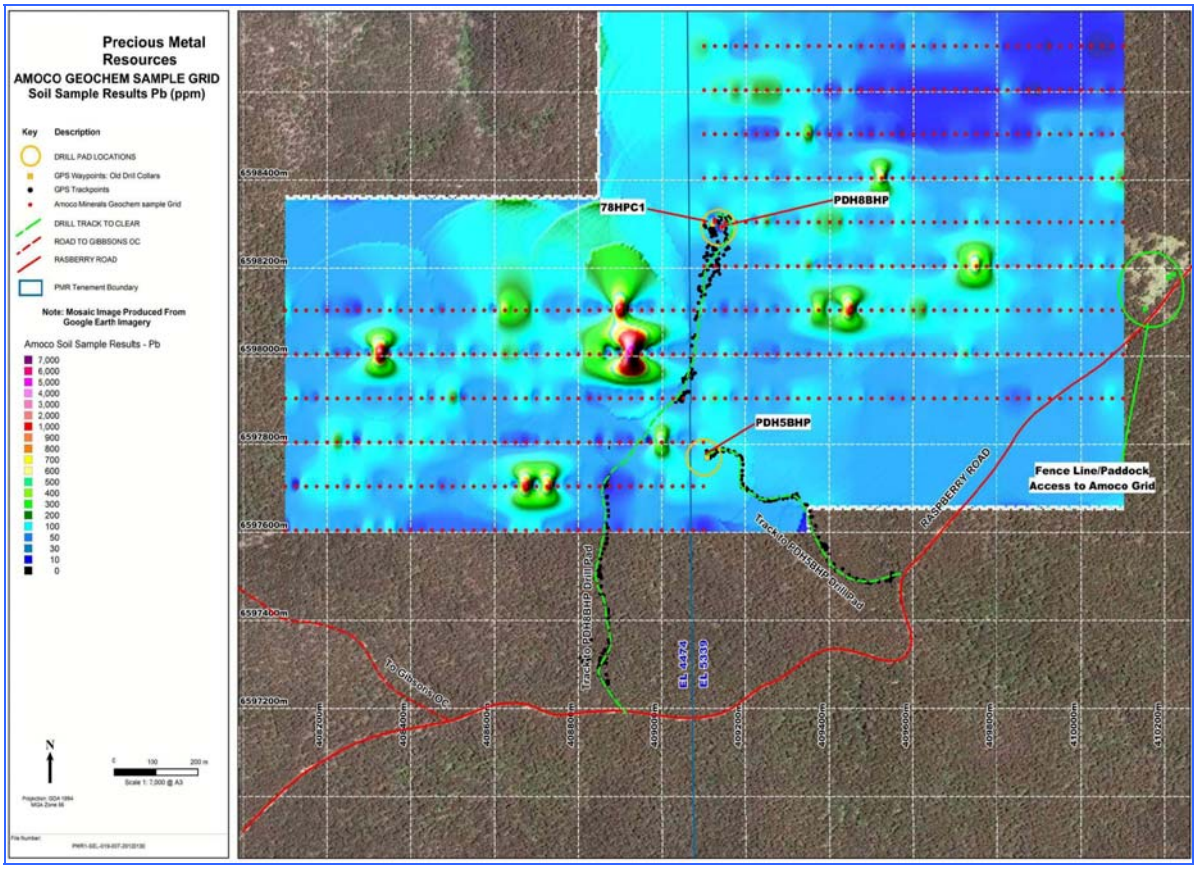

Figure 6 – Anomalous Lead Soil Geochemistry, Halls Peak.

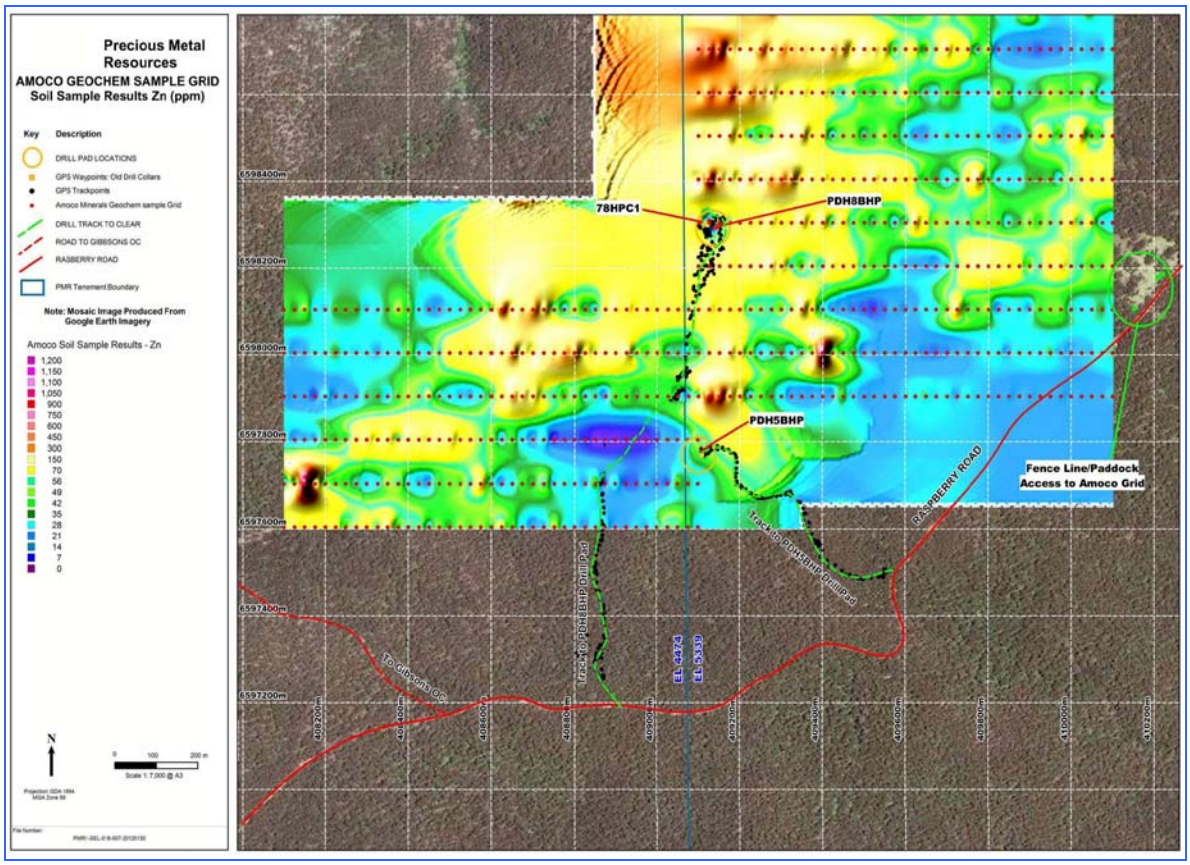

Figure 7 – Anomalous Zinc Soil Geochemistry, Halls Peak.

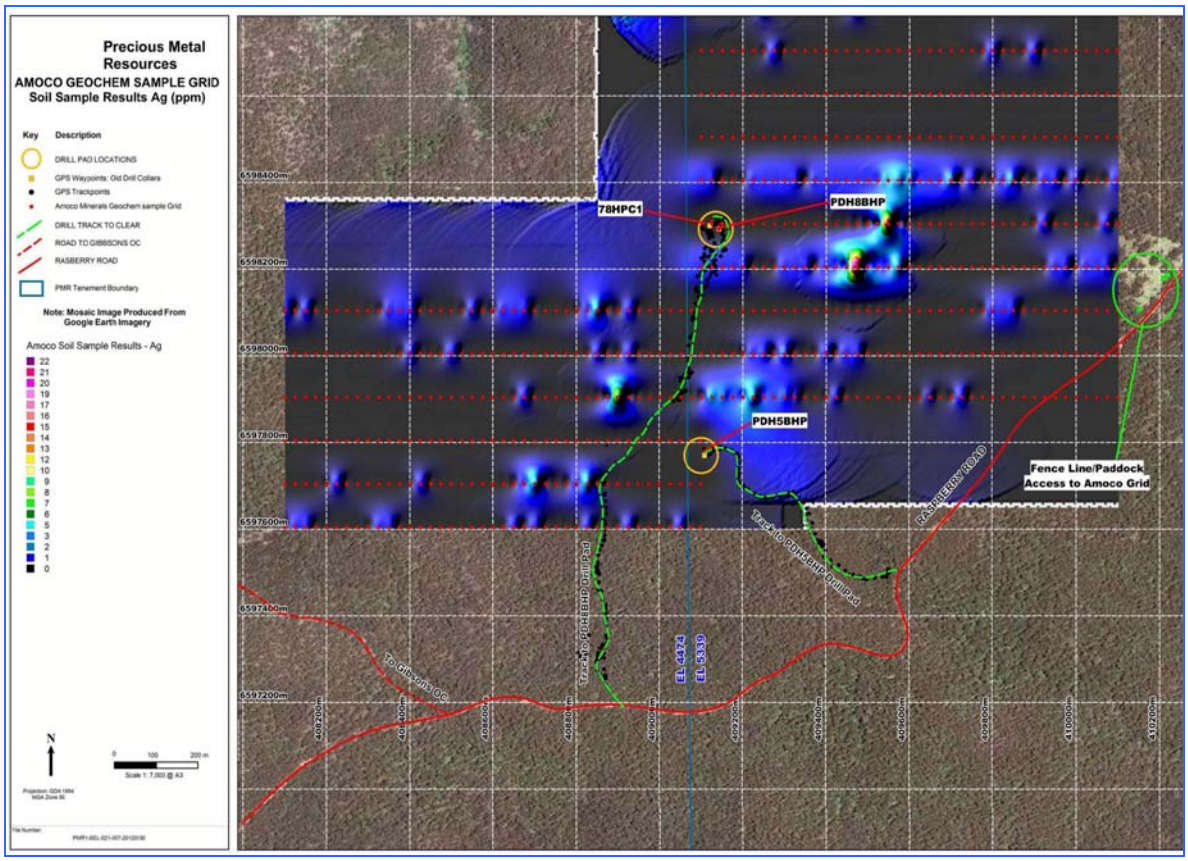

Figure 8 – Anomalous Silver Soil Geochemistry, Halls Peak.

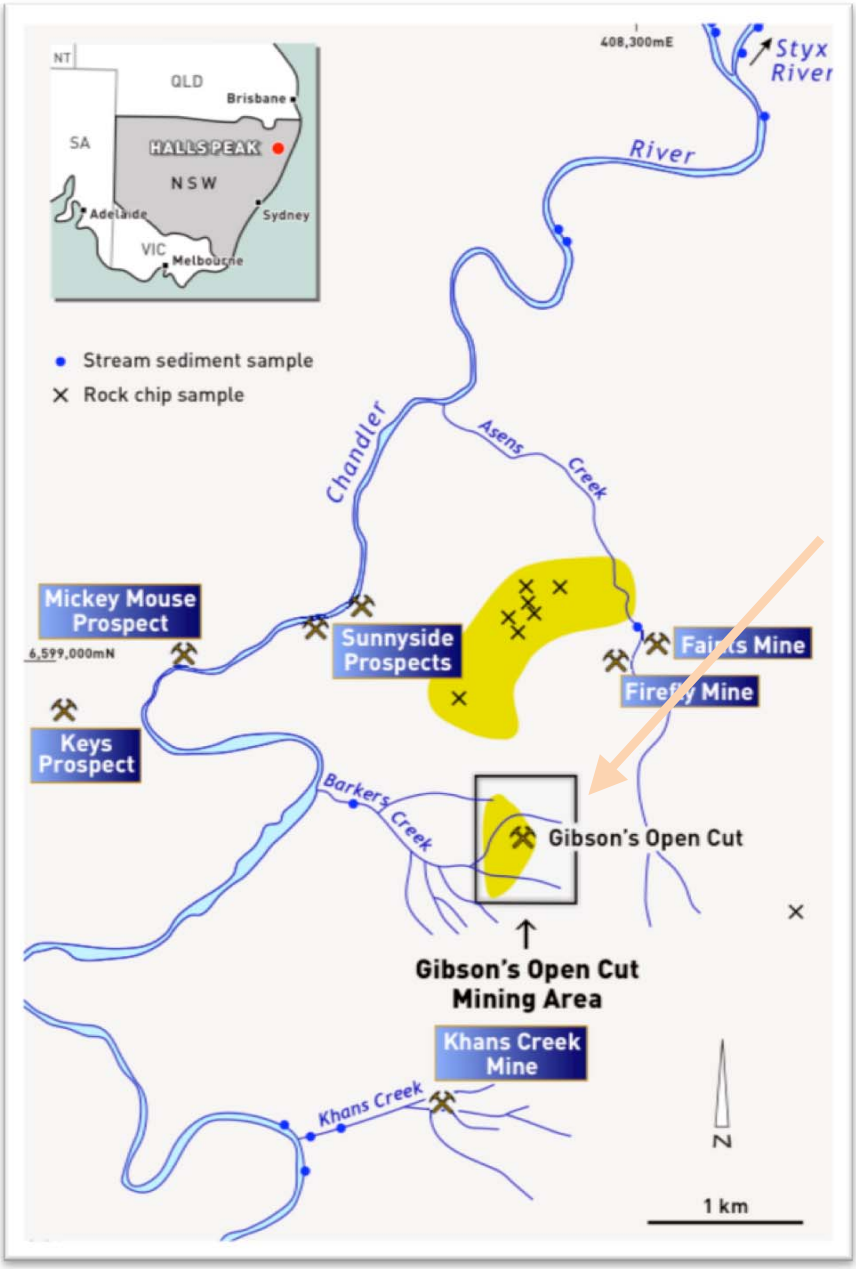

Figure 9 – Location of Faints-Firefly Area and Gibsons Open Cut Area

SAMPLE METHODOLOGY

Sampling was carried out by Amoco Minerals Australia in 1983. Lines were spaced at 100 metres apart, and staked at 25 metre intervals. Soil samples were taken at 25 metre intervals along the lines and sieved through – 80 mesh in the field. Samples were analysed for copper, lead, zinc and silver by AAS and for gold by fire assays at Amachem Laboratories, Brisbane. Many samples were duplicated in the field and analysed by the same methods at Amdel, Adelaide.

Correlation between the gold assays was acceptable considering the different lower detection limits involved (GS 1983/360).

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.

Exploration Targets: The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

References to Mines refer to geographical names, and no inference should be made that PMR is operating any mines at this stage of its development.

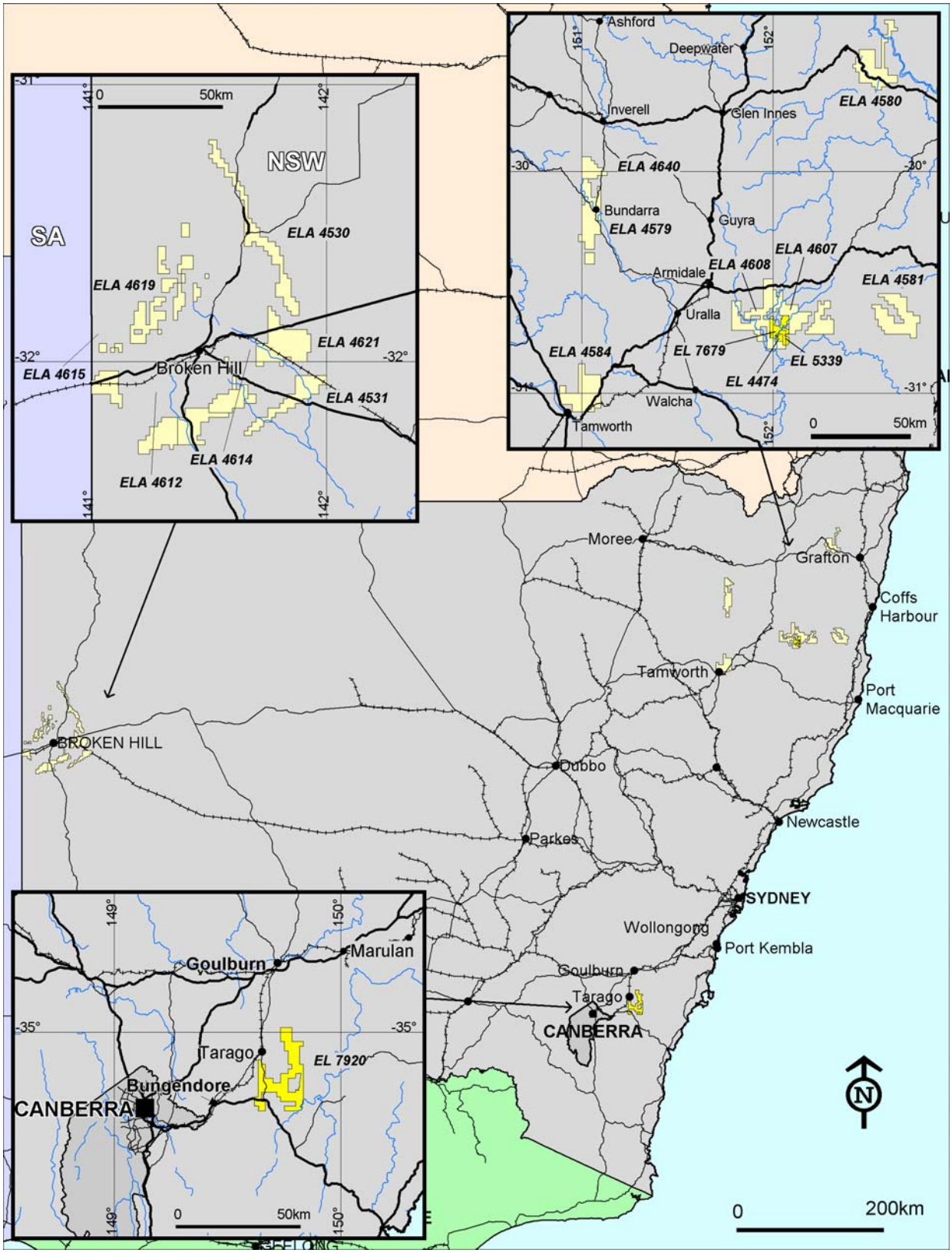

Figure 10– Location map of PMR licences and applications 31 August 2012