



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

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.

PMR concludes Farm-In and JV Agreement with Gossan Hill Gold Limited

Precious Metal Resources Limited (ASX: PMR) (**PMR**) has entered into a Farm-In and Joint Venture Agreement (**Agreement**) with Gossan Hill Gold Limited, a subsidiary of Sovereign Gold Company Limited (ASX: SOC) (87%), with respect to the Peel Fault Gold Project located north of Tamworth in north-eastern NSW, east of the towns of Manilla, Barraba and Bingara.

Peel Fault Gold Project

The Peel Fault Gold Project (ELs 6648, 7725, 7726, 7862 and 7863, and ELA 4760) is a major geological suture separating sedimentary rocks in the Tamworth Trough on the west from Ordovician and Cambrian deep ocean floor volcanics and sedimentary rocks to the east, including a suite of extensively serpentinised ultramafic rocks adjacent to the Fault.

The Prospect area is north of Tamworth and very well located with respect to infrastructure, including transport, power and water. The land tenure in the tenements is predominantly freehold.

PMR regards the Peel Fault as a major underexplored gold belt with 3 main types of mineralisation:

- Greenstone Belt Gold: Californian Mother Lode Au. Orogenic Liswanite (Silica-Carbonate-Au)-hosted Gold – Approximately half the World's gold has been produced from greenstone hosted deposits.
- Intrusion-Related Gold systems (Large tonnage Au deposits). Altered gold-bearing monzonite dykes.
- High Grade Narrow Vein Orogenic Reef/Structure.

Farm-In and Joint Venture Agreement

Under the terms of the Agreement PMR is able to earn up to a 70% interest in the Peel Fault Gold Project through sole funding exploration expenditure of up to \$1 million.

PMR can earn 35% interest through the staged development and expenditure of \$500,000 (over 2 years) and a further 35% through the expenditure of a further \$500,000 (over a further 18 months).

For further information please contact:
Michael Leu, Managing Director

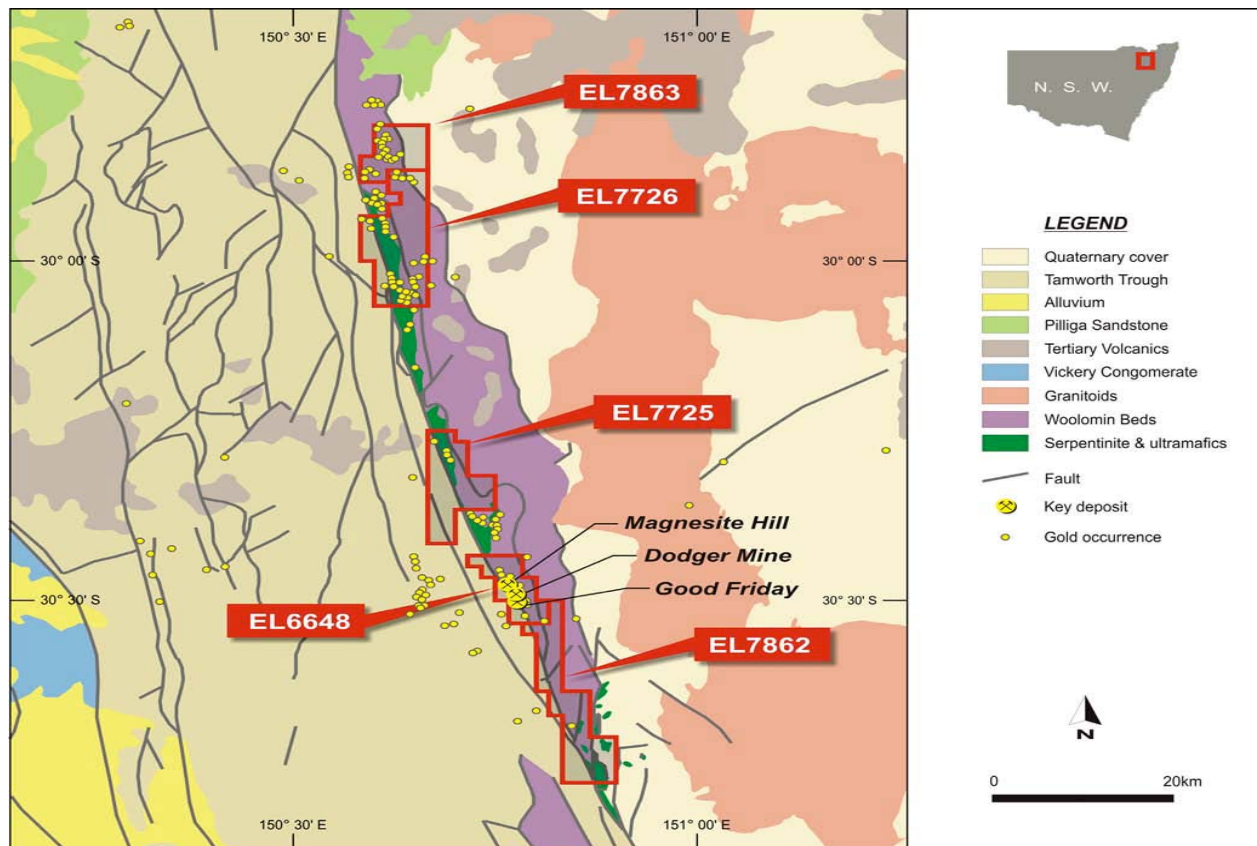
Telephone: +61 2 9251 7177

Media enquiries:

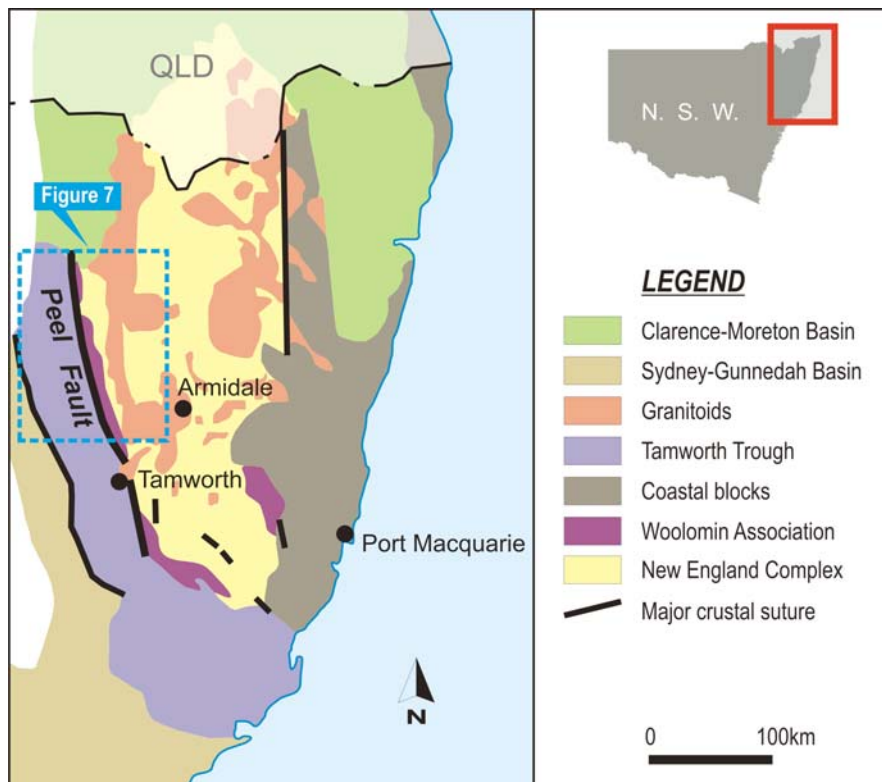
Rebecca Lawson, Mercury Consulting

Mobile: +61 432 398 122

Rebecca.lawson@mercuryconsulting.com.au



Location map showing granted tenements. ELA 4760 is not shown, but is contiguous to the west of EL7726.



Schematic geological map of New England showing location of the Peel Fault