PMA

PRECIOUS METALS AUSTRALIA LIMITED

ABN 65 009 131 533

3 October 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Plaza, Sherwood Court
PERTH WA 6000

Dear Sir/Madam

Share placement and notice under section 708a(5)(e) of the Corporations Act

Further to our announcement on 30 September 2005 with regard to a placement of shares, PMA is pleased to confirm that 19,000,000 fully paid ordinary shares were issued on 30th September 2005 at a price of 70 cents per share.

PMA gives notice that:

- it issued the above mentioned shares without disclosure to investors under Part 6D.2 of the Corporations Act; and
- this notice is being given under section 708A(5)(e) of the Corporations Act; and
- as at the date of this notice, PMA has complied with the provisions of Chapter 2M of the Corporations Act (as they apply to PMA) and has also complied with section 674 of the Corporations Act; and
- there is no information:
    (a) that has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules; and
    (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company, or the rights and liabilities attaching to fully paid ordinary shares,

to the extent to which it would be reasonable for investors and their professional advisers to expect to find such information in a disclosure document.

Yours faithfully
PRECIOUS METALS AUSTRALIA LTD

RODERICK SMITH
Executive Director

Level 1, 30 Richardson Street
West Perth Western Australia 6005

PO Box 620
West Perth Western Australia 6872

Telephone: +61 8 9423 1900
Facsimile: +61 8 9423 1999
www.pmal.com.au