PMA
PRECIOUS METALS
AUSTRALIA LIMITED
ABN 65 009 131 533

1 December 2005

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

Dear Sir / Madam

RE: APPOINTMENT OF NON-EXECUTIVE CHAIRMAN

The board of the Company are pleased to announce the appointment of Mr Tony J Grey as Non-Executive Chairman of the Company.

Tony brings enormous experience in resource project identification, financing, development and mineral marketing to the board.

Tony was the original founder in 1972 of Pancontinental Mining Limited which he built into a publicly listed major diversified mining house with interests in gold, base metals, coal, industrial minerals and uranium. He is also Chairman of International Ferro Metals Limited which is developing a $280m ferrochrome mine in South Africa.

PMA and its consulting engineers are currently compiling a detailed engineering study for the redevelopment of the Windimurra vanadium mine in Western Australia. The Windimurra vanadium reserve is believed to be the largest in the world. The redevelopment is expected to cost approximately $100m after which Windimurra will be one of the largest vanadium mines in the world. Tony's expertise will be invaluable in the financing, execution of project development and off-take arrangements for the mine.

Tony graduated with a BA in History (Hons) and then a Juris Doctor from the University of Toronto. Thereafter, he practised law with a major law firm in Toronto for seven years. He immigrated to Australia in 1972 and founded Pancontinental. He exited from Pancontinental in 1992 and became a Director of National Mutual Royal Bank for four years. Thereafter, Tony was appointed as Chairman of Kingsgate Consolidated, a producing gold mining company listed on the ASX. He held this role for four years. In 1992 Tony became a major shareholder and Executive Chairman of Polartechnics Ltd, an ASX listed biomedical company developing a revolutionary Australian invention of an optoelectronic means of diagnosing pre-cancer cells and cancer. Tony has written books on the history of the Australian uranium industry and Chinese history and numerous articles about the mining industry.

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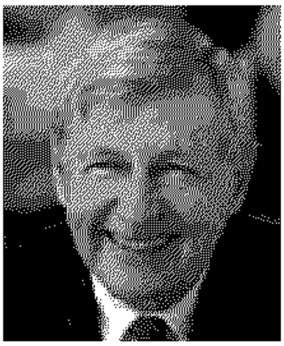
Tony's remuneration package includes, subject to shareholder approval, the issue of 650,000 options to acquire shares at a price of $1.50 per share. One quarter of the options vest at commencement of service and one quarter at the end of each successive six month period.

The Earl of Warwick (Guy Warwick) has stood down as Chairman in favour of Tony Grey after four years in that role, and remains a non executive director of the company. Guy has been a director of the company for 16 years and has made an outstanding contribution to the company, in particular during the difficult period of litigation with its former mining partner in recent years. I have no doubt that Guy will continue his unswerving support for the company and continue to contribute at board level.

The expanded board of PMA, now led by Tony Grey has some challenges and opportunities ahead of it with the development of the exciting Windimurra mine.

Yours sincerely
PRECIOUS METALS AUSTRALIA LIMITED

RODERICK SMITH
Managing Director



Mr Tony Grey