

Form 604

Corporations Act 2001
Section 671B

Notice of change of interest of substantial holder

To Company Name/Scheme Precious Metals Australia Limited
CAN/ARSN 65 009 131 533

1. Details of substantial holder (1)

Name Matterhorn Investment Management LLP ("MIM")
CAN/ARSN (if applicable) _____

There was a change in the interests of the substantial holder on 15 / 09 / 2006

The previous notice was given to the company on 20 / 10 / 2005

The previous notice was dated 19 / 10 / 2005

NB The previous notice (603) was given in the registered name of Westpac Custodian Nominees Limited on behalf of the beneficial owner, The Palmyra Fund, which is managed by Matterhorn Investment Management LLP, the substantial holder as shown above.

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of Securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	[3,423,603]	[5.3%]	10,302,837	13.8%
	NB See comment above re previous notice.			

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of acquisition	Person Whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and Number of Securities affected	Person's votes affected
15/09/06	MIM re WHF	Share Purchase	\$48,160.00	28,000	28,000
01/05/06	MIM re REF	Share Purchase	\$579,024.52	224,500	224,500
28/04/06	MIM re REF	Share Purchase	\$90,607.00	35,500	35,500
27/04/06	MIM re REF	Share Purchase	\$124,297.14	48,500	48,500
26/04/06	MIM re REF	Share Purchase	\$218,433.76	84,000	84,000
21/04/06	MIM re REF	Share Purchase	\$5,198.05	2,290	2,290
20/04/06	MIM re REF	Share Purchase	\$123,098.40	55,210	55,210
10/02/06	MIM re PAL	Share Purchase	\$78,244.00	50,000	50,000

10/02/06	MIM re REF	Share Purchase	\$62,597.20	40,000	40,000
10/02/06	MIM re MPF	Share Purchase	\$876,230.80	560,000	560,000
07/02/06	MIM re PAL	Share Purchase	\$15,857.40	10,000	10,000
07/02/06	MIM re MPF	Share Purchase	\$776,532.60	490,000	490,000
02/02/06	MIM re REF	Share Purchase	\$198,994.25	128,000	128,000
02/02/06	MIM re MPF	Share Purchase	\$251,863.30	162,000	162,000
24/01/06	MIM re PAL	Share Purchase	\$14,042.00	10,000	10,000
23/01/06	MIM re PAL	Share Purchase	\$722,863.70	522,519	522,519
20/01/06	MIM re PAL	Share Purchase	\$75,020.28	56,081	56,081
03/01/06	MIM re MPF	Share Purchase	\$28,336.84	20,646	20,646
30/12/05	MIM re MPF	Share Purchase	\$110,450.35	80,000	80,000
29/12/05	MIM re MPF	Share Purchase	\$106,823.25	80,000	80,000
09/12/05	MIM re MPF	Share Purchase	\$2,880,000.00	2,000,000	2,000,000
06/12/05	MIM re MPF	Share Purchase	\$270,820.00	180,000	180,000
06/12/05	MIM re REF	Share Purchase	\$30,100.00	20,000	20,000
07/10/05	MIM re MPF	Share Purchase	\$1,209,646.08	920,000	920,000
07/10/05	MIM re REF	Share Purchase	\$105,186.62	80,000	80,000
03/10/05	MIM re MPF	Share Purchase	\$942,657.89	671,306	671,306
03/10/05	MIM re REF	Share Purchase	\$84,262.00	60,000	60,000
22/09/05	MIM re MPF	Share Sale	\$30,819.08	30,000	30,000
20/09/05	MIM re MPF	Share Purchase	\$1,497,023.00	2,138,605	2,138,605
20/09/05	MIM re REF	Share Purchase	\$203,477.00	290,682	290,682
12/08/05	MIM re MPF	Share Purchase	\$899,498.60	1,284,998	1,284,998

WHF	The Wildhorn Fund
REF	The Matterhorn Resources and Energy Fund
PAL	PDS Master Fund Series PAL
MPF	The Palmyra Fund

4. Present relevant interest

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and Number of Securities	Person's votes
Matterhorn Investment Management LLP ("MIM")	Westpac Custodian Nominees Ltd a/c Morgan Stanley & Co International	The Palmyra Fund	Fund managed by MIM	Ordinary	9,557,555
Matterhorn Investment Management LLP ("MIM")	Westpac Custodian Nominees Ltd a/c Morgan Stanley & Co International	PDS Master Fund Series PAL	Fund managed by MIM	Ordinary	648,600
Matterhorn Investment Management LLP ("MIM")	HSBC Custody Nominees (Australia) Limited	The Matterhorn Resources and Energy Fund	Fund managed by MIM	Ordinary	1,068,682
Matterhorn Investment Management LLP ("MIM")	HSBC Custody Nominees (Australia) Limited	The Wildhorn Fund	Fund managed by MIM	Ordinary	28,000

5. Change in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and CAN/ARSN (if applicable)	Nature of association
The Palmyra Fund	Non-beneficial fund managed by Matterhorn Investment Management on a discretionary basis.
PDS Master Fund Series PAL	Non-beneficial fund managed by Matterhorn Investment Management on a discretionary basis.
The Matterhorn Resources and Energy Fund	Non-beneficial fund managed by Matterhorn Investment Management on a discretionary basis.
The Wildhorn Fund	Non-beneficial fund managed by Matterhorn Investment Management on a discretionary basis.

6. Addresses

The addresses of persons named in this form are as follows:

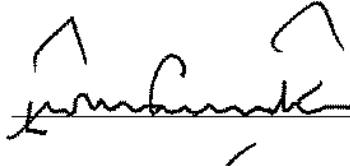
Name	Address
Matterhorn Investment Management LLP	29 Queen Anne's Gate, London SW1H 9BU
The Palmyra Fund	c/o Matterhorn Investment Management LLP, 29 Queen Anne's Gate, London SW1H 9BU
PDS Master Fund Series PAL	c/o Matterhorn Investment Management LLP, 29 Queen Anne's Gate, London SW1H 9BU

The Matterhorn Resources and Energy Fund	c/o Matterhorn Investment Management LLP, 29 Queen Anne's Gate, London SW1H 9BU
The Wildhorn Fund	c/o Matterhorn Investment Management LLP, 29 Queen Anne's Gate, London SW1H 9BU

Signature

Print Name EWAN CHRISTIAN

Capacity BUSINESS MANAGER

Sign here 

date 03/10/2006