

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Precious Metals Australia Limited (Entity)

ABN

65 009 131 533

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Unlisted employee and executive options to acquire ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 100,000 Employee and Executive Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 100,000 employee and executive options exercisable at \$3.30 (exp. 13/9/2010) |

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	yes				
5 Issue price or consideration	Nil consideration – employee and executive options				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Employee and executive options issued pursuant to contracts of employment or engagement. Issued under the terms and conditions of the PMA Executive and Employee Option Plan.				
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	15/10/2007				
8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="715 1451 995 1485">Number</th><th data-bbox="1003 1451 1326 1485">+Class</th></tr> <tr> <td data-bbox="715 1487 995 1668">102,625,094</td><td data-bbox="1003 1487 1326 1668">Ordinary fully paid (PMA)</td></tr> </table>	Number	+Class	102,625,094	Ordinary fully paid (PMA)
Number	+Class				
102,625,094	Ordinary fully paid (PMA)				

+ See chapter 19 for defined terms.

100,000	Employee Options Expiring 28 May 2011 exercisable at \$1.75 (PMAAS)
100,000	Employee Options Expiring 28 August 2011 exercisable at \$2.00 (PMAAU)
125,000	Employee Options Expiring 3 September 2009 exercisable at \$2.60 (PMAAY)
100,000	Employee Options Expiring 13 September 2009 exercisable at \$2.60 (PMAAW)
125,000	Employee Options Expiring 26 September 2009 exercisable at \$1.50 (PMAAZ)
125,000	Employee Options Expiring 26 September 2009 exercisable at \$1.70 (PMAAZ)
250,000	Employee Options Expiring 26 September 2011 exercisable at \$2.20 (PMAAZ)
125,000	Employee Options Expiring 30 November 2009 exercisable at \$1.95 (PMAAZ)
125,000	Employee Options Expiring 3 December 2009 exercisable at \$2.80 (PMAAZ)
125,000	Employee Options Expiring 3 March 2010 exercisable at \$3.00 (PMA21)
100,000	Employee Options Expiring 13 January 2010 exercisable at \$2.80 (PMA21)
125,000	Employee Options Expiring 28 February 2010 exercisable at \$2.20 (PMA21)
250,000	Employee and Executive Options Expiring 26 March 2012 exercisable at \$2.20 (PMA21)

+ See chapter 19 for defined terms.

New	100,000	Employee and Executive Options Expiring 13 May 2010 exercisable at \$3.00 (PMA21)
	650,000	Ordinary fully paid shares issued 26/06/2007 pursuant to exercise of employee and executive options.
	125,000	Employee and Executive Options Expiring 3 June 2010 exercisable at \$3.30 (PMA21)
	100,000	Employee and Executive Options Expiring 13 September 2010 exercisable at \$3.30 (C0000000002)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not Applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

⁺ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their	

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entitlements (except by sale through a
broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Quoted Securities
 ☐

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

The issue does not form a new class of security

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which
 ⁺quotation is sought

39 Class of ⁺securities for which
 quotation is sought

⁺ See chapter 19 for defined terms.

40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period on conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 60px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and

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that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: _____

Date: 26 October 2007

Matthew Lilly
Company Secretary

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