

29th July 2005

The Listing Manager
Australian Stock Exchange Ltd
Level 8, 2 The Esplanade
PERTH, WA, 6000

Dear Sirs,

QUARTERLY REPORT
For the quarter ended 30th June 2005

- As reported in our March quarterly, the Company announced on 22nd April 2005 that it had reached agreement with Xstrata Alloys in respect of the Windimurra vanadium project at Mount Magnet, Western Australia for the settlement of all litigation between the parties and the transfer of the Windimurra Project assets to PMA pursuant to a Settlement Deed and an Asset Purchase Agreement.
- PMA has received the payment of \$10 million (net of GST) from Xstrata under the Settlement Deed.
- Since the settlement announced in April 2005, the Company has been working with Xstrata towards settlement under the Asset Purchase Agreement at which time the transfer of the remaining Windimurra Project assets, including the tenements and associated environmental liabilities from Xstrata to the Company will occur.
- The requisite Ministerial approval to the transfer of the tenements and the change of the Project proponent to the Company has been obtained.
- Settlement under the Asset Purchase Agreement requires PMA to also obtain certain confirmations from relevant Government Authorities and/or other assurances acceptable to Xstrata in relation to environmental matters. The Company believes these matters have been satisfied and has requested Xstrata proceed to settlement under the Asset Purchase Agreement on 8 or 9 August 2005.
- At settlement under the Asset Purchase Agreement, the Company will receive a net payment of \$11m from Xstrata and will then have to lodge environmental security bonds of \$3.67m with the West Australian Government.
- The Company completed the placement of 5,939,588 shares announced on 8 April 2005. This placement was to raise funds for security for costs in relation to the litigation against Xstrata. As the litigation was subsequently settled, the security was not required.
- The Company completed its round up of unmarketable parcels of shares. On 29th June 2005, 425,138 shares were sold on market at 30.5 cents per share on behalf of shareholders holding such parcels. The full funds received from the sale have been distributed to the relevant shareholders the Company having met all of the costs of the sales.

Yours faithfully,

Ian Macpherson
Company Secretary

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