PRIME MINERALS LIMITED

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30 October 2007

Companies Announcement Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Annual Report and Notice Of Annual General Meeting

Prime Minerals Limited advises that its 2007 Annual Report and Notice of Annual General Meeting has been despatched to shareholders.

The Annual Report comprises only the documents previously lodged with ASX.

The Notice of Annual General Meeting is attached.

Yours faithfully

V Hyde
Director

Prime Minerals Limited

ABN 61 120 658 497

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

Prime Minerals Limited

ABN 61 120 658 497

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of Prime Minerals Limited (**Prime** or the **Company**) will be held on the 29th of November 2007, commencing at 9:30 am at Broadwater Pagoda, 112 Melville Parade, Como, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

1. Accounts and Reports

To receive and consider the Financial Report of the Company and of the consolidated entity for the year ended 30 June 2007, together with the reports by directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

2. Resolution 1 - Adoption of Remuneration Report

"That the Remuneration Report included in the Annual Report for the financial year ended 30 June 2007 be adopted."

The vote on this resolution is advisory only and does not bind the directors of the Company.

3. Resolution 2 - Re-election of Director (Mr V Hyde)

"That Mr Vincent Kenneth Hyde, having been appointed by the directors until this general meeting in accordance with the Constitution of the Company and, having offered himself for re-election and being eligible, is re-elected a director of the Company."

4. Resolution 3 - Re-election of Director (Mr E Del Fante)

"That Mr Emilio Pietro Del Fante, having been appointed by the directors until this general meeting in accordance with the Constitution of the Company and, having offered himself for re-election and being eligible, is re-elected a director of the Company."

5. Resolution 4 - Re-election of Director (Mr G Boyer)

"That Mr Graeme Boyer, having been appointed by the directors until this general meeting in accordance with the Constitution of the Company and, having offered himself for re-election and being eligible, is re-elected a director of the Company."

6. Resolution 5 - Appointment of Auditors

"That for the purpose of section 327B(1)(a) of the Corporations Act PKF Chartered Accountants & Business Advisers be reappointed as the auditor of the company."

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

7. Resolution 6 – Ratification of Option Issue on 8 May 2007

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue and allotment of 1,500,000 options exercisable at 20 cents each on or before 31 October 2009 to the parties listed in the Explanatory Statement accompanying this Notice of Annual General Meeting and otherwise on the basis set out therein, is ratified and approved."

The Company will disregard any votes cast on this resolution by the parties who participated in the issue as listed in the Explanatory Statement and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purposes of determining voting entitlements at the annual general meeting, Shares will be taken to be held by persons who are registered as holding Shares at 5:00pm on the 26th of November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the annual general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Annual General Meeting.

Annual Report Online

The reports referred to in item 1 above are included in the Annual Report of the Company. In accordance with the new arrangements for the distribution of Annual Reports, shareholders who did not elect to receive a hard copy of the Annual Report can access the report on the company's website at www.primeminerals.com.au

The Annual Report can be accessed from the "Investors & Media" section of the website under the heading "Annual Reports".

BY ORDER OF THE BOARD

Vincent Hyde
Company Secretary
22 October 2007

Prime Minerals Limited
ABN 61 120 658 497

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Prime Minerals Limited ("the Company") in connection with the business to be conducted at the annual general meeting of members to be held at Broadwater Pagoda, 112 Melville Parade, Como, Western Australia on 29th of November 2007 at 9:30am.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

2. 2007 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, the 2007 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company's auditors, PKF, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

3. ADOPTION OF REMUNERATION REPORT – Resolution 1

The Annual Report for the financial year ended 30 June 2007 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for executive directors, senior management and non-executive directors.

The Corporations Act 2001 requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of vote into consideration when considering the Company's remuneration policy.

4. RE-ELECTION OF DIRECTORS – Resolution 2, 3 and 4

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, directors who have been appointed since the last annual general meeting retire and, being eligible, offer themselves for election.

Details of directors' qualifications and experience are as follows:

Vincent Hyde
Mr Hyde has over 40 years of banking and corporate advisory experience. He was the managing director of a merchant bank for many years and his responsibilities included the overall management and performance of operations in Australia, South East Asia, Republic of South Africa, United Kingdom, France, Germany and North America. He has assisted small to medium enterprises in restructuring, developing competitive strategies, implementing management reporting systems and reviewing their operations and banking facilities.

Mr Hyde is an accountant by training and due to the varied nature of the projects he has been involved in he has had extensive dealings with lawyers, project managers, developers, utility companies and government.

Mr Hyde is a member of the Australian Institute of Export and the National Institute of Accountants.

Emilio Del Fante
Mr Del Fante has owned and managed a company providing tenement administration and various consulting services to listed companies for the last 17 years, including BHP Billiton, Rio Tinto Ltd, Ashanti Goldfields Company Ltd and Newcrest Mining Ltd. This work has included many aspects of mining title management including dealings under the Native Title Act 1993.

Mr Del Fante was previously a director of Cape Lambert Iron Ore Ltd and held senior positions within the mineral titles division of the Mines Department of Western Australia (now Department for Industry and Resources).

Mr Del Fante brings to the Company extensive mining and management skills that are invaluable in the day to day operations of the Company.

Graeme Boyer
Mr Boyer had had over 40 years experience in banking, finance and international trade. His experience will be invaluable in assisting the company in appraising overseas mining project opportunities and ongoing project management, including any managing any future foreign exchange risk and exposure.

5. APPOINTMENT OF AUDITORS – Resolution 5

Resolution 5 concerns the appointment by shareholders of the Company's auditors.

The Company was incorporated on 27 July 2006. The Board has appointed PKF Chartered Accountants & Business Advisers as auditors. Pursuant to the Corporations Act, the auditor holds office until the first Annual General Meeting at which time they are required to seek re-appointment by shareholders.

6. RATIFICATION OF OPTION ISSUE (8 May 2007) – Resolution 6

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible to shares, representing more than 15% of its issued capital in any 12 month period.

ASX Listing Rule 7.4.2 provides that where a company in general meeting subsequently approves a previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder approval is now sought pursuant to ASX Listing Rule 7.4 for the recent issue of options to shareholders of Mason Uranium Pty Ltd, to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without prior shareholder approval.

For the purposes of ASX Listing Rule 7.5 the following information is provided to Shareholders:

(a) Number of securities allotted:

1,500,000 options to subscribe for shares exercisable at 20 cents on or before 31 October 2009.

(b) Price at which the securities were issued:

The options were issued at an issue price of 45.81 cents per option. The securities were issued in consideration of the acquisition by the Company of the entire issued capital in Mason Uranium Pty Ltd.

(c) Terms of the securities:

The options rank equally in all respects with the listed options on issue.

(d) Details of the allottees:

Enthrone Pty Ltd – 350,000 options
Mandevilla Pty Ltd – 100,000 options
Portobella Pty Ltd – 500,000 options
Citron Resources Pty Ltd – 450,000 options
Philip Hoff ATF Cornucopia – 100,000 options

(e) Use of funds raised:

No funds were raised from the issue of options. The securities were issued as consideration for the acquisition of the entire issued capital in Mason Uranium Pty Ltd which company owns three exploration licences adjoining the company's Lake Mason uranium project.

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