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ASX ANNOUNCEMENT

The Company Announcements Office
Australian Stock Exchange Limited

Via E lodgement

PRIME ISSUES WRIT AGAINST BRETT MATICH AND RELATED COMPANIES

On 6 August 2009, Prime Minerals Limited ("**Prime**") issued a Writ for damages in the Supreme Court of Western Australia for Equitable Compensation for breach of fiduciary obligations, account of profits or such other or further relief that the court considers fit, against Landlife Corporation Pty Ltd, Brett Robert Matich and Colbern Nominees Pty Ltd pursuant to a Corporate Advisory Proposal between Prime and Landlife Corporation Pty Ltd entered into in January 2007.

The writ arises out of an alleged breach by the Defendants of their obligations to Prime pursuant to an agreement to provide Prime on an exclusive basis with services in relation to the identification of potential acquisitions or other corporate transactions for Prime, pursuant to which Landlife Corporation Pty Ltd was paid a retainer of \$15,000 per month by Prime. In February 2007 the Defendants facilitated the sale of the Peary Land project in Northern Greenland to Ironbark Gold Ltd for a payment of \$6,000,000 and the issue of 3,000,000 shares and 6,000,000 options in Ironbark Gold Ltd. Prime alleges that the opportunity to acquire the project should have been disclosed to, and offered to, Prime.

Regards

Vincent Hyde
Executive Chairman