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ASX ANNOUNCEMENT

Company Announcements Office
Australian Stock Exchange Limited

Via E-lodgement

PRIME WINS SUPREME COURT ORDER TO EXPEDITE ACTION AGAINST BRETT MATICH

Prime Minerals Limited (Prime) is pleased to inform shareholders that it has successfully applied to expedite its action against Brett Matich and others for breach of fiduciary duty.

At a hearing in the WA Supreme Court on Thursday 3 September, lawyers for Prime successfully applied to have its action for damages against Brett Robert Matich and his associated companies Landlife Corporation and Colbern Nominees placed on the Commercial and Managed Cases List.

Prime sought to have the action expedited on the grounds that the litigation could be affected by attempts by Matich to remove the Board of Prime.

Subsequent to the commencement of these proceedings, companies associated with Matich issued a requisition to remove the Board of Prime and have the Directors replaced by 3 individuals, including Matich himself.

Prime's case is that Matich and the two associated companies breached their obligations to Prime pursuant to an agreement to provide Prime, on an exclusive basis, services in relation to the identification of potential acquisitions or other corporate transactions for Prime.

Landlife Corporation Pty Ltd was paid a retainer of \$15,000 per month by Prime to provide these services.

In February 2007, Matich, Landlife Corporation and Colbern Nominees 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.

Justice Le Meire accepted Prime's application that the case be admitted to the Commercial and Managed Cases List. The hearing was adjourned to Thursday 10 September 2009.

NEW PROCEEDINGS BROUGHT BY MATICH COMPANY

On Friday 4 September, Colbern Nominees Pty Ltd (a company associated with the Matich family) commenced proceedings in the WA Supreme Court seeking to challenge the decision of Prime to postpone the extraordinary general meeting of Prime until 16 November 2009.

The proceedings came on before Justice LeMiere in the Supreme Court on Monday 7 September 2009.

The Court ordered that the action stand for argument on Monday 14 September 2009.

The EGM was requisitioned by Matich and his associates after the launch of the legal proceedings by Prime.

Should you have any queries on these matters, please feel free to call Paul Ryan on (08) 9386 1233 or email paul.ryan@fdthirdperson.com.au.

Regards



Vincent Hyde
Executive Chairman