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ASX ANNOUNCEMENT

Company Announcements Office
Australian Stock Exchange Limited

Via E-lodgement

PRIME DEFEATS MATICH BID TO INTERFERE WITH SHAREHOLDER MEETING

Prime Minerals Limited (Prime) is pleased to inform shareholders that it has successfully defeated a court action brought by Colbern Nominees that attempted to bring forward the company's Extraordinary General Meeting scheduled for 16 November 2009.

In the judgement handed down today the WA Supreme Court also ordered Colbern Nominees to pay Prime Minerals' costs.

The meeting was originally requisitioned for 7 October by Colbern, a company associated with Mr Brett Matich, but was postponed by Prime to 16 November.

Prime Minerals postponed the EGM so that shareholders would know the outcome and progress of Prime's legal claim for breach of fiduciary duty against Mr Matich and two of his associated companies, Colbern Nominees and Landlife Corporation.

Prime Minerals also wanted to ensure that the outcome of the legal proceedings could not be disrupted by Mr Matich, who requisitioned the EGM to remove Prime's Board after commencement of Prime Minerals' breach of fiduciary duty claim.

Prime Minerals' 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. That action has been expedited in the Commercial and Managed Cases list of the WA Supreme Court.

Regards

Vincent Hyde
Executive Chairman

Ends

For more information please contact Paul Ryan, FD Third Person, 08 9386 1233