PRIME MINERALS LIMITED
ABN 61 120 658 497

ANNUAL REPORT

30 JUNE 2009

DIRECTORS

Vincent Kenneth Hyde (Chairman)
Emilio Pietro Del Fante
Graeme Boyer

SECRETARY

Vincent Kenneth Hyde

REGISTERED OFFICE

800 Canning Highway
Applecross WA 6153

PRINCIPAL OFFICE

800 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 1815
Facsimile: (08) 9315 3299

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

AUDITORS

HLB Mann Judd
15 Rheola Street
West Perth WA 6005

AUSTRALIAN SECURITIES EXCHANGE

Prime Minerals Limited shares (PIM) and options (PIMO) are listed on the Australian Securities Exchange.

AMERICAN DEPOSITORY RECEIPTS

Prime Minerals Limited's American Depository Receipts (PMLDY) are traded over the counter in the United States of America thorough Bank of New York.

Lake Mason Project

Prime holds a 100% interest in three exploration licences over which the Lake Mason drainage system has been developed. Previous exploration at Lake Mason has focused on the defined radiometric anomalies within the eastern extremity and northern shore of the main Lake Mason channel within E57/591. The Company is targeting potential calcrete hosted uranium mineralisation of between 1 – 5 million tonnes at a grade between 150-300 ppm uranium at Bolitho Bore. The potential quantity and grade of the target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

However, support for this conceptual target is based on a 1980 aircore drilling program conducted by John F Gilfillan and Associates on behalf of Uranex Pty Ltd. Refer to footnote.

In 2007, Prime completed 126 reconnaissance aircore drill holes at Lake Mason (total 1,898 metres), along with downhole radiometric logging. Forty six of the drill holes intersected maximum uranium oxide values greater than 100ppm. Interpretation of the results concluded the mineralisation at Bolitho Bore to be more extensive and of higher grade than previously outlined by the 1980 drilling. The mineralisation remains open particularly to the west and it is likely that additional drilling will extend the known body of mineralisation.

In November 2008 the WA Liberal Government lifted the ban on uranium mining in Western Australia, which together with the historically high uranium prices seen during the year ensures the Lake Mason Project retains significant commercial value. Prime intends to undertake further drilling to fully map the extent of the uranium mineralisation and to upgrade the mineralisation to JORC compliant resource status (refer to Figure 1 & 2).

Star of Mangaroon

Prime has one exploration licence and one prospecting licence at the historical Star of Mangaroon mine in the Gascoyne province of Western Australia. The Star of Mangaroon gold mine has been the largest historic gold producer in the Gascoyne region. Between 1960 and 1983 it produced 7,464 oz of gold from 5,357 tonnes of ore at an average grade of 34.8 g/t gold. The deposit was discovered in 1956 by the local pastoralist. Most of the gold produced was mined from underground with the lowest extraction level approximately 90m below surface.

Prime has an exploration target of between 150,000 – 500,000 tonnes at 6 - 10 grams per tonne, down to a depth of 200 metres below surface. The potential quantity and grade of the target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

However, the target grade and model is based on RC drilling between 1987 and 1994 by Balde Exploration Consultants Pty Ltd (28 RC holes) and Welcome Stranger Mining NL (18 RC holes) who planned an open pit to 50 metres below surface. Drilling post 1994 found further mineralisation at a depth of 156 metres below the shallow partly mined high grade shoot. The mineralisation has not been closed off. Refer to footnote.

Regional work by the GSWA over the past few years has provided a better understanding of the complex geology, stratigraphy and structural history of the Gascoyne Complex. During the year Prime completed additional review of the project and concluded that the most likely geological model for the gold mineralisation in the Mangaroon area is a shear related stacked system of high grade quartz veins hosted by a variety of highly altered sedimentary and igneous rock types (refer to Figure 3 & 4).

Additional drilling and geophysical surveys are required to better understand the deposit. Prime considers the Star of Mangaroon to retain commercial value and will be reviewing the most appropriate strategy to advance the project.

Barrambie Project

Prime Minerals held through it's subsidiary Australian Vanadium Corporation Pty Ltd a 100% interest in two exploration licence applications over the highly prospective Barrambie Sill. The Barrambie Sill is host to Reed Resources Limited's Barrambie vanadium deposit, which has a reserve of 39.7Mt of ore at the high grade of 0.82% V_2O_5 and an additional 65Mt of vanadium ore in the inferred and indicated resource category.

Geophysical surveys and field sampling undertaken by Prime indicated that the 24 strike kilometres of titaniferous magnetite within Prime's tenements may have similar grade and potential to those within adjoining Reed Resources tenements.

On 1 September 2008 Prime completed the sale of its subsidiary Australian Vanadium Corporation Pty Ltd to Reed Resources Limited. Australian Vanadium Corporation Pty Ltd held two Exploration Licence Applications E57/742 and E57/743 over the highly prospective Barrambie Sill. Terms of the sale:

- $1m cash
- 2 million ordinary shares in Reed Resources Limited
- 2% Net Smelter Royalty of production from within the relevant tenement area.

Greenland Project

During the year, Prime completed field work activities on site in Southern Greenland. After reviewing the results of the field activities Prime has surrendered their Greenland tenements.

New Projects

Prime Minerals is continuing to evaluate several projects that have the potential to become mines.

FOOTNOTE: BASIS FOR TARGET STATEMENT FOR BOLITHO BORE

The Bolitho Bore radiometric anomaly was located in 1978 by McIntyre Mines and Canadian Superior Mines group ("CSM") using ground radiometric surveying on the northern shore of Lake Mason. In 1980, John F Gilfillan and Associates ("Gilfillan") on behalf of Uranex Pty Ltd , followed up the CSM work with an aircore drilling program of 38 holes (for a total of 384 m). The drilling was undertaken using a Wallis Drilling Co. Pty Ltd truck mounted Gemco H12 machine with a reverse circulation sample recovery system. The mineralisation was reported to cover an area of approximately 180 metres north-south by 2,000 m east-west, and was reported to be open to the west. An SIE T450 downhole logger was used for grade determination. Routine check assaying of samples at AMDEL and SGS laboratories was undertaken to check the accuracy of the downhole logging. Gilfillan reported best uranium intercepts from holes SAM2 (600 ppm U over 1m) and SAM 25 (430 ppm U over 1m).

The subsequent down-hole gamma logging showed that 46 of the 126 holes had maximum eU_3O_8 greater than 100ppm. Gamma probes used by Prime were calibrated at Australian Mineral Development Laboratory's (AMDEL) test pits in Adelaide. The down-hole gamma logs also showed the Bolitho Bore uranium mineralisation to be developed in layers at a depth of 0 to 6 metres from the surface. This drilling and logging showed the Bolitho Bore uranium mineralisation to more extensive and of higher grade than reported by Uranex and Acclaim, but the drill hole density was insufficient at the time for the calculation of a JORC compliant resource.

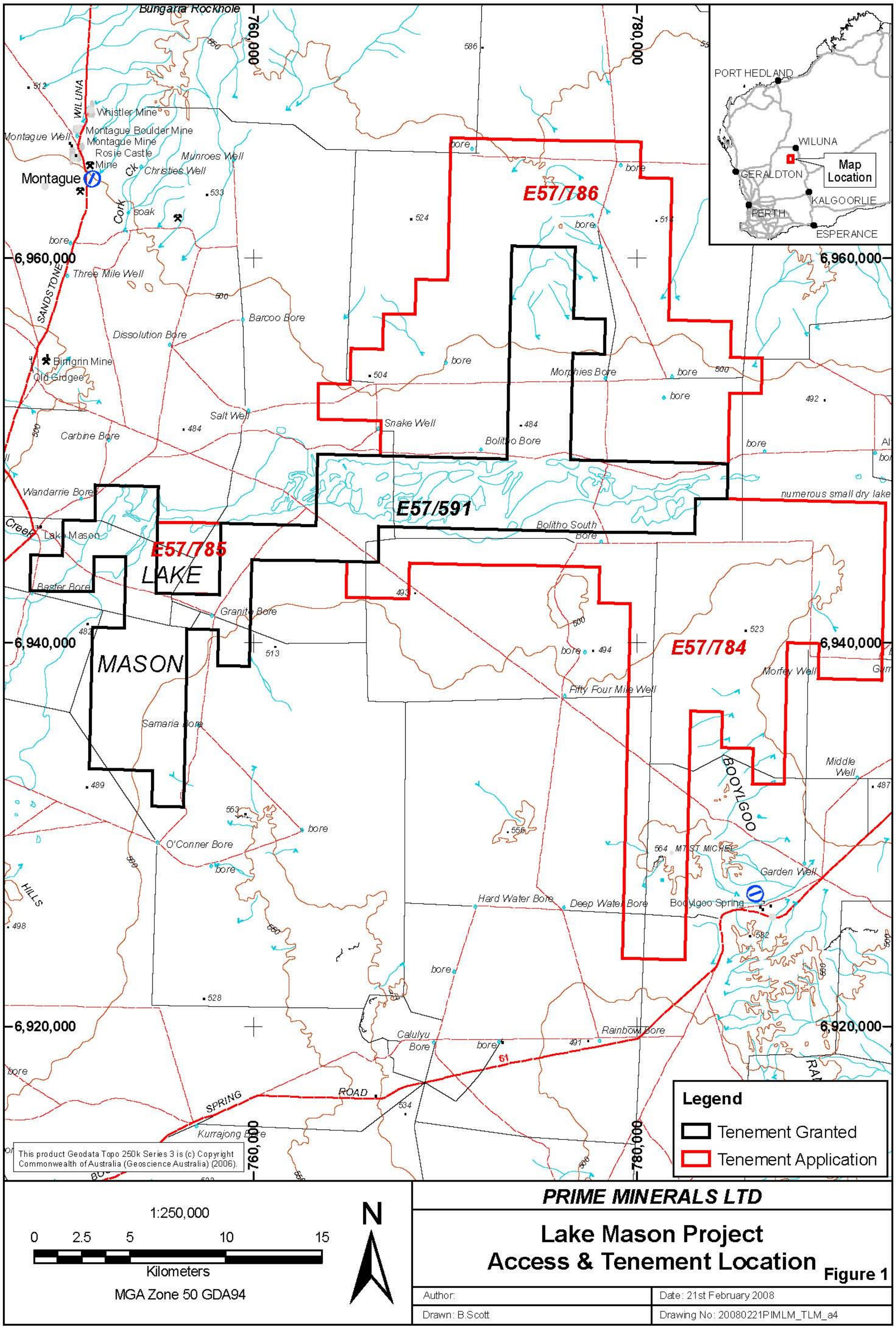
FOOTNOTE: BASIS FOR TARGET STATEMENT FOR STAR OF MANGAROON

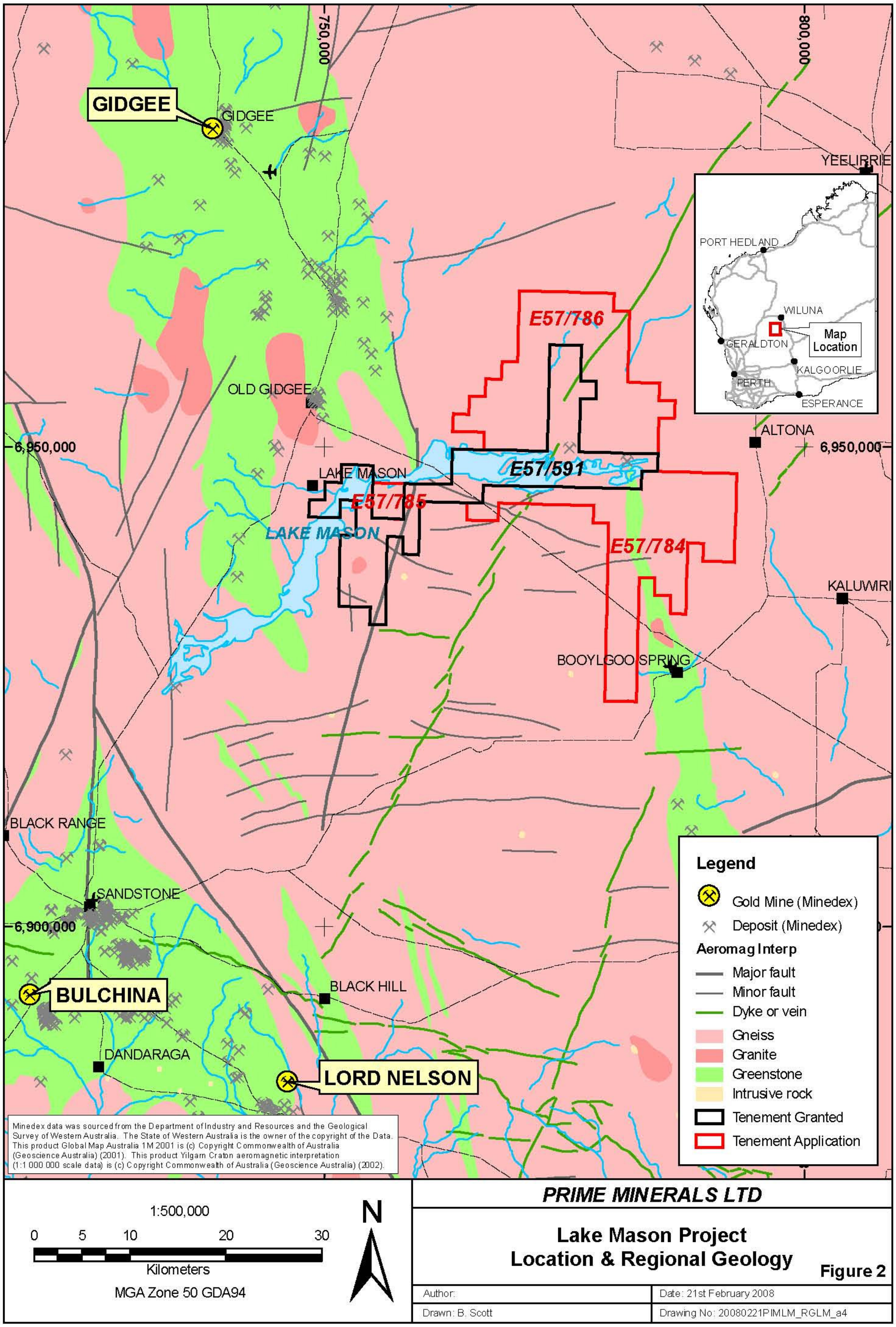
At least four drilling campaigns have been carried out at the Star of Mangaroon deposit. Three diamond holes were drilled by Westralian Nickel in the early seventies but no detailed records are available apart from the results from hole MDH-01 which returned an intercept of 5.5m at 17.75g/t gold from 90.83 to 96.38 metres.

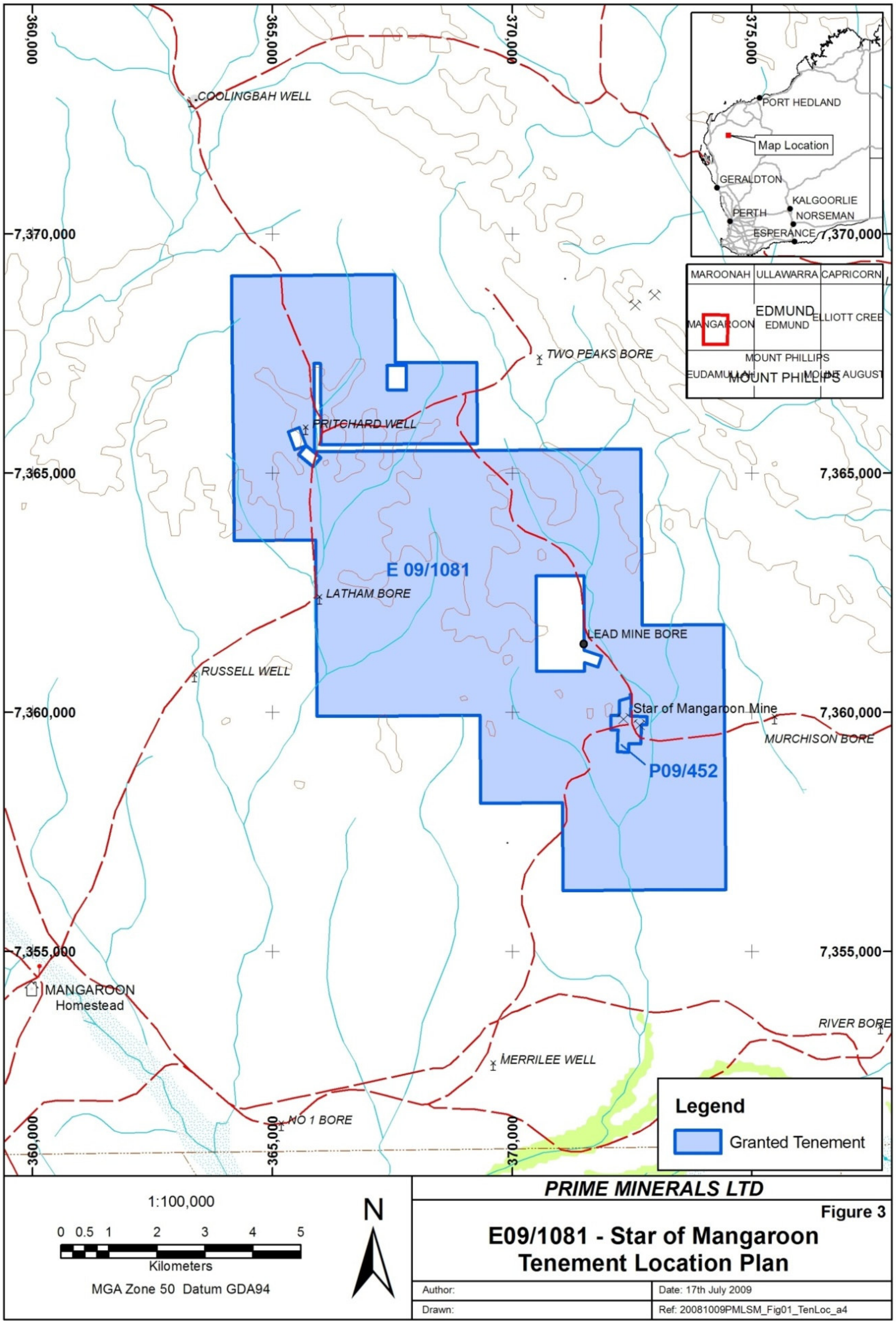
In 1987 Balde Exploration Consultants Pty Ltd on behalf of a private syndicate carried out a 28 hole RC drilling programme at the Star of Mangaroon gold mine. All but one drill hole (MA026) tested the down plunge extensions of the main mineralized zone. Several high grade intervals were returned from this programme. Diamond drill hole MDH001, collared at MGA coordinates 372398mE/7359826mN, at a dip of 60° with azimuth 280° returned an interval of 5.5 metres assaying 17.75 g/t gold from 90.8 to 96.3 metres. Balde designed an open pit down to a depth of 30 metres. Falling gold price and corporate troubles led to the break up of the syndicate.

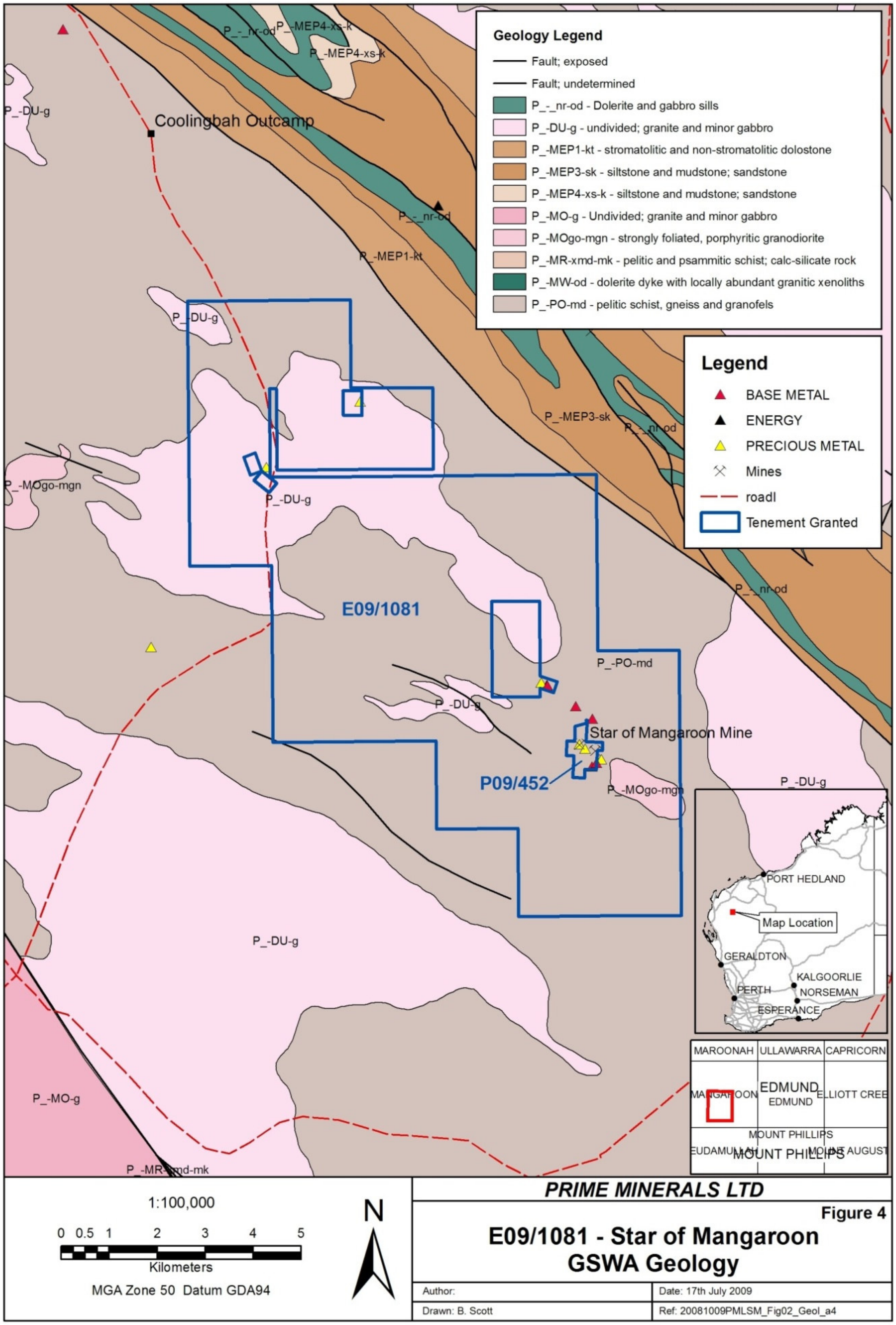
Further RC drilling was carried out at the Star by Welcome Stranger Mining NL ("WSM") in 1994. Eighteen holes (MA029 to 46) were drilled resulting in a number of additional high grade intercepts.

Subsequently, Fox Resources Ltd completed a seven hole RC drilling programme in March 2003 (STMRC001 to 007) targeting the main lode and also the projected down-plunge extensions of the shallow mineralization. At a vertical depth of 156m drill hole STMR005 intersected 4m at 3.76g/t gold including a one metre interval at 9.96g/t. This intercept increased the potential for the presence of a much larger mineralised body at least to and potentially below 150 metres below surface.


E57/786
E57/591
E57/785
E57/784
LAKE
MASON
Montague
Bungarra Rockhole
Whistler Mine
Montague Boulder Mine
Montague Mine
Rosie Castle Mine
Munroes Well
Christies Well
Three Mile Well
Barcoo Bore
Dissolution Bore
Bintgrin Mine
Old Gidgee
Salt Well
Carbine Bore
Snake Well
Bolitho Bore
Morphies Bore
Wandarrie Bore
Lake Mason
Baxter Bore
Granite Bore
Bolitho South Bore
numerous small dry lake
Fifty Four Mile Well
Morfey Well
Samaria Bore
O'Conner Bore
Middle Well
BOOYLGOO
MT ST MICHEL
Garden Well
Hard Water Bore
Deep Water Bore
Booylgoo Spring
Rainbow Bore
Calulyu Bore
Kurrajong Bore
SPRING
ROAD
SANDSTONE
WILUNA
HILLS
6,960,000
6,940,000
6,920,000
760,000
780,000
PORT HEDLAND
WILUNA
GERALDTON
KALGOORLIE
PERTH
ESPERANCE
Map Location
Legend
Tenement Granted
Tenement Application
This product Geodata Topo 250k Series 3 is (c) Copyright Commonwealth of Australia (Geoscience Australia) (2006).
1:250,000
0 2.5 5 10 15
Kilometers
MGA Zone 50 GDA94
N
PRIME MINERALS LTD
Lake Mason Project
Access & Tenement Location
Figure 1
Author:
Date: 21st February 2008
Drawn: B.Scott
Drawing No: 20080221PIMLM_TLM_a4


GIDGEE
GIDGEE
750,000
800,000
YEELIRRIE
PORT HEDLAND
WILUNA
GERALDTON
Map Location
KALGOORLIE
PERTH
ESPERANCE
E57/786
OLD GIDGEE
ALTONA
6,950,000
6,950,000
LAKE MASON
E57/591
E57/785
LAKE MASON
E57/784
KALUWIRI
BOOYLGOO SPRING
BLACK RANGE
SANDSTONE
6,900,000
BULCHINA
BLACK HILL
DANDARAGA
LORD NELSON
Legend
Gold Mine (Minedex)
Deposit (Minedex)
Aeromag Interp
Major fault
Minor fault
Dyke or vein
Gneiss
Granite
Greenstone
Intrusive rock
Tenement Granted
Tenement Application
Minedex data was sourced from the Department of Industry and Resources and the Geological Survey of Western Australia. The State of Western Australia is the owner of the copyright of the Data. This product Global Map Australia 1M 2001 is (c) Copyright Commonwealth of Australia (Geoscience Australia) (2001). This product Yilgarn Craton aeromagnetic interpretation (1:1 000 000 scale data) is (c) Copyright Commonwealth of Australia (Geoscience Australia) (2002).
1:500,000
0 5 10 20 30
Kilometers
MGA Zone 50 GDA94
N
PRIME MINERALS LTD
Lake Mason Project
Location & Regional Geology
Figure 2
Author:
Date: 21st February 2008
Drawn: B. Scott
Drawing No: 20080221PIMLM_RGLM_a4


COOLINGBAH WELL
TWO PEAKS BORE
PRITCHARD WELL
E 09/1081
LATHAM BORE
LEAD MINE BORE
RUSSELL WELL
Star of Mangaroon Mine
MURCHISON BORE
P09/452
MANGAROON Homestead
RIVER BORE
MERRILEE WELL
NO 1 BORE
PORT HEDLAND
Map Location
GERALDTON
KALGOORLIE
PERTH
NORSEMAN
ESPERANCE
MAROONAH
ULLAWARRA
CAPRICORN
EDMUND
MANGAROON
ELLIOTT CREEK
MOUNT PHILLIPS
EUDAMULLAH
MOUNT AUGUSTUS
360,000
365,000
370,000
375,000
7,370,000
7,365,000
7,360,000
7,355,000
Legend
Granted Tenement
1:100,000
0 0.5 1 2 3 4 5
Kilometers
MGA Zone 50 Datum GDA94
N
PRIME MINERALS LTD
Figure 3
E09/1081 - Star of Mangaroon
Tenement Location Plan
Author:
Drawn:
Date: 17th July 2009
Ref: 20081009PMLSM_Fig01_TenLoc_a4


Geology Legend
Fault; exposed
Fault; undetermined
P_-_nr-od - Dolerite and gabbro sills
P_-DU-g - undivided; granite and minor gabbro
P_-MEP1-kt - stromatolitic and non-stromatolitic dolostone
P_-MEP3-sk - siltstone and mudstone; sandstone
P_-MEP4-xs-k - siltstone and mudstone; sandstone
P_-MO-g - Undivided; granite and minor gabbro
P_-MOgo-mgn - strongly foliated, porphyritic granodiorite
P_-MR-xmd-mk - pelitic and psammitic schist; calc-silicate rock
P_-MW-od - dolerite dyke with locally abundant granitic xenoliths
P_-PO-md - pelitic schist, gneiss and granofels
Legend
BASE METAL
ENERGY
PRECIOUS METAL
Mines
roadl
Tenement Granted
Coolingbah Outcamp
E09/1081
P09/452
Star of Mangaroon Mine
PORT HEDLAND
Map Location
GERALDTON
KALGOORLIE
PERTH
NORSEMAN
ESPERANCE
MAROONAH
ULLAWARRA
CAPRICORN
EDMUND
MOUNT PHILLIPS
1:100,000
0 0.5 1 2 3 4 5
Kilometers
MGA Zone 50 Datum GDA94
N
PRIME MINERALS LTD
Figure 4
E09/1081 - Star of Mangaroon
GSWA Geology
Author:
Date: 17th July 2009
Drawn: B. Scott
Ref: 20081009PMLSM_Fig02_Geol_a4

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2009.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:

	Special Responsibilities in Parent Entity	Relevant Interest in Securities of Parent Entity	
Vincent Kenneth Hyde	Executive	100,000	ordinary shares
(Appointed 27 July 2006)	Chairman	550,000	options – 31 October 2009
Emilio Pietro Del Fante	Non-Executive	-	ordinary shares
(Appointed 27 July 2006)	Director	500,000	options – 31 October 2009
Graeme Boyer	Non-Executive	10,000	ordinary shares
(Appointed 26 March 2007)	Director	5,000	options – 31 October 2009

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Vincent Kenneth 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.

Director since 27 July 2006.

During the past three years Mr Hyde has held the following other listed company directorships:

- Blaze International Limited (18 April 2007 to present)
- Ironbark Gold Limited (28 March 2007 to present)
- Power Resources (18 May 2007 to present)

Emilio Pietro 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.

Director since 27 July 2006.

During the past three years Mr Del Fante has held the following other listed company directorships:

- Cape Lambert Iron Ore Ltd (17 January 2006 to 31 March 2006)

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 future foreign exchange risk and exposure.

Director since 26 March 2007.

No other directorships in listed companies in the last 3 years.

COMPANY SECRETARY

Vincent Hyde – Mr Hyde, also a director of the Company was appointed company secretary on 2 March 2007. Particulars on Mr Hyde are detailed above.

PRINCIPAL ACTIVITIES

The principal continuing activities during the year of entities within the Group was exploration for uranium, gold, vanadium/titanium, iron ore and other economic resources.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial year and the results of those operations are contained within the Company Review.

Operating Results

Consolidated loss after income tax for the financial year was $232,050 (2008: $538,029). The loss for the year included the write off of exploration and evaluation expenditure of $782,351 (2008: $1,560) and the profit on sale of the Barrambie project.

On 1 September 2008 the Company sold its wholly owned subsidiary Australian Vanadium Corporation Pty Ltd (Formerly Prime Iron Ore Pty Ltd) applicant for exploration licences E57/742 and E57/743 to Reed Resources Limited (ASX:RDR)

Terms of Sale

- $1 million cash;
- 2 million Ordinary Shares in Reed Resources Limited;
- 2% Net Smelter Royalty of production from within the relevant tenement area;
- Original Vendor free carried to 20% until completion of Bankable Feasibility Study.

Financial Position

At 30 June 2009, the Company had cash reserves of $591,306 (2008: $427,194).

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year are detailed in the Company Review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since 30 June 2009 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The consolidated entity will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined in the Company Review. The company will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board of Directors	
	Held	**Attended**
V Hyde	4	4
E Del Fante	4	4
G Boyer	4	4

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director and executive of Prime Minerals Limited.

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholders interests, the directors are encouraged to hold securities in the company.

The company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the company.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

Performance-based remuneration

The company does not pay any performance-based component of salaries.

B. Details of remuneration for year ended 30 June 2009

The Group does not have any full time executive officers, other than directors as detailed above.
There were no performance related party payments made during the year.
The details of Director's remuneration are noted in Note 19 of the financial statements.

C. Employment contracts of directors and senior executives

The employment conditions of the executive Chairman, Vincent Hyde were approved by the Board on 30 March 2007 with a director's fee of $90,000 (2008: $90,000) per annum plus GST.

Under the terms of the above contract, employment may be terminated by the Company by giving 12 months notice in writing or Vincent Hyde by giving the other 3 months notice in writing. Alternatively, the employment may be terminated by the Company providing compensation instead of the period of notice required. Termination payments are due for all of the notice period plus an additional 12 months in lieu of notice if the termination period is not worked out. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time. The employment contract will continue until terminated by the Company or Vincent Hyde in accordance to the contract.

D. Remuneration Committee

The Remuneration Committee, performed by the Board as a whole, is responsible for determining and reviewing compensation arrangements for the directors.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

E. Remuneration Structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

F. Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 27 November 2008 when shareholders approved an aggregate remuneration of $30,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the company.

The remuneration of non-executive directors for the year ended 30 June 2009 is detailed in Note 19 of this report.

G. Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

H. Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee, or Board, as it currently stands. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

The fixed remuneration component of the most highly remunerated Group and company executives is detailed in Note 19.

I. Variable Remuneration

The objective of the short term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

The aggregate of annual payments available for executives across the Group is subject to the approval of the Remuneration Committee. The company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth. Refer to Note 19.

DIRECTORS AND AUDITORS INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

(a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses of successfully defending legal proceedings; or

(b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

SHARE OPTIONS

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 19,714,698 options expiring 31 October 2009, exercisable at 20 cents each.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

ENVIRONMENTAL REGULATIONS

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

AUDITOR

HLB Mann Judd were appointed as auditors on 27 November 2008.

NON-AUDIT SERVICES

The following non-audit services were provided by our auditors, HLB Mann Judd during the year ended 30 June 2009. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Taxation compliance services $9,800

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2009 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

Vincent Hyde
Executive Chairman
Perth, 30 September 2009

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Prime Minerals Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Prime Minerals Limited.

Perth, Western Australia
30 September 2009

W M CLARK
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a world-wide organisation of accounting firms and business advisers

The Board of Directors of Prime Minerals Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Prime Minerals Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Prime Minerals Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Recommendation	Section
Principle 1: Lay solid foundations for Management and Oversight	
Recommendation 1.1 Functions of the Board and Senior Executives	3.1
Recommendation 1.2 Performance Evaluation of Senior Executives	12.1
Recommendation 1.3 Reporting on Principle 1	3.1, 12.1
Principle 2: Structure the Board to Add Value	
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chair	1.2
Recommendation 2.3 Role of the Chair and CEO	1.2
Recommendation 2.4 Establishment of Nomination Committee	2.1
Recommendation 2.5 Performance Evaluation Processes	12.1
Recommendation 2.6 Reporting on Principle 2	1.1, 1.2, 1.3, 1.4, 1.5, 4.1, 12.1
Principle 3: Promote Ethical and Responsible Decision Making	
Recommendation 3.1 Directors' and Senior Executives' Code of Conduct	3.2, 5.1
Recommendation 3.2 Company Security Trading Policy	7.1
Recommendation 3.3 Reporting on Principle 3	5.1, 7.1
Principle 4: Safeguard Integrity in Financial Reporting	
Recommendation 4.1 Establishment of Audit Committee	9.1
Recommendation 4.2 Structure of Audit Committee	9.1
Recommendation 4.3 Audit Committee Charter	9.1
Recommendation 4.4 Reporting on Principle 4	9.1
Principle 5: Make Timely and Balanced Disclosure	
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	10.1
Recommendation 5.2 Reporting on Principle 5	10.1
Principle 6: Respect the Rights of Shareholders	
Recommendation 6.1 Communications Strategy	10.2
Recommendation 6.2 Reporting on Principle 6	10.2, 10.3
Principle 7: Recognise and Manage Risk	
Recommendation 7.1 Policies on Risk Oversight and Management of	11.1
Recommendation 7.2 Attestations by CEO and CFO	11.2
Recommendation 7.3 Risk Management and Internal Control	11.3
Recommendation 7.4 Reporting on Principle 7	11.3
Principle 8: Renumerate Fairly and Responsibly	
Recommendation 8.1 Establishment of Remuneration Committee	12.1
Recommendation 8.2 Executive and Non-Executive Director Remuneration	13.1, 13.2
Recommendation 8.3 Reporting on Principle 8	12.1, 13.1, 13.2

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board continues to review its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines 2004 with a view to making amendments where applicable after considering the Company's size and resources it has available. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

1 Structure of the Board

1.1 The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report. Directors of Prime Minerals Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

1.2 In the context of Director independence, 'materiality' is considered from both the company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the Director in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Prime Minerals Limited are considered to be independent:

Name	Position
Emilio Del Fante	Non-Executive Director
Graeme Boyer	Non-Executive Director

1.3 There are procedures in place, agreed by the Board, to enable Directors in the furtherance of their duties to seek independent professional advice at the company's expense.

1.4 The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
Vincent Hyde	Since 27 July 2006
Emilio Del Fante	Since 27 July 2006
Graeme Boyer	Since 26 March 2007

1.5 The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report.

2 Nomination Committee

2.1 There is no nomination committee.

The Board considers those matters and issues arising that would usually fall to a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

The full Board carries out the functions of the Nomination Committee. The Board did not meet formally as the Nomination Committee during the financial year, however any relevant matters were discussed on as-required basis from time to time during regular meetings of the Board.

3 Responsibilities of the Board

3.1 The Board is responsible for setting the strategic direction and establishing the policies of the Group. It is responsible for overseeing the financial position, and for monitoring the business and affairs on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable. The Board also addresses issues relating to internal controls and approaches to risk management.

3.2 To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Managing Director and other senior executives in the performance of their roles. The Code of Conduct addresses the maintenance of the confidence in the Company's integrity, legal obligations and expectations of shareholders, responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

4 Appointments to Other Boards

4.1 Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

5 Ethical Standards

5.1 The Board acknowledges the need for continued maintenance of the highest standards of corporate governance practice and ethical conduct by all Directors and employees of the Group. A fundamental theme of the Group's code of ethics is that all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the Group. All Directors and employees are expected to act with the utmost of integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

6 Conflict of Interest

6.1 In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

7 Directors' Dealings in Company Securities

7.1 On 22 July 2009 the Board reviewed and re-adopted its Share Trading Policy. The Board periodically reminds Directors, senior executives and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds Directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met.

8 Financial Reporting

8.1 The Chair and the Group Accountant have declared to the Board that the Company's Annual Reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

9 Audit Committee

9.1 There is no audit committee.

The company and its Board are of a relatively small size and board members are encouraged to consult regularly with the Company's external auditors, therefore the Company considers that no benefits would be gained by establishing a separate audit committee.
The role of the Audit Committee has been assumed by the full Board. The Board as the Audit Committee meets at least bi-annually (in respect of the full year and half year reports).

9.2 The Board has adopted an Audit Committee Charter which sets out the roles and responsibilities, composition, structure and membership requirements. The Board refers to the Audit Committee Charter to ensure they are meeting all the requirements otherwise delegated to an Audit Committee. A copy of the Audit Committee Charter is available on the Company's website.

10 Continuous Disclosure and Communication with Shareholders

10.1 The Chair is responsible, in consultation with the Board, for interpreting and monitoring the Company's compliance with the continuous disclosure requirements of the ASX whilst the Company Secretary is responsible for all communications with ASX. The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules, which is available on the Company's website. All Directors and senior employees have a general understanding of the continuous disclosure requirements under the ASX listing rules, particularly as they relate to identification of matters that may have a material effect on the price of the Company's securities and that would influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

10.2 Communication with shareholders is conducted through the following mechanisms:

- Announcements lodged with ASX
- Half Yearly and Preliminary Final Reports
- Annual Reports
- Annual General Meetings

Notices of meeting are specifically designed and distributed on a timely basis to encourage shareholder attendance and participation at general meetings.

10.3 The Company also posts corporate information in the investor section of its Company website at www.primeminerals.com.au and encourages shareholders to visit the website. The Company's policy for shareholder communications is available on the Company's website.

11 Risk Management

11.1 The full Board is responsible for the oversight of risk management and internal control. Due to the current size and operations of the Consolidated Entity, a formal risk management committee is not considered to add any efficiency to the process of assessing and managing material business risk. The Board sets aside time at meetings to discuss any risk management issues and Directors are encouraged to give priority to such issues.

11.2 In developing its risk management policies, the Board has taken into consideration any legal obligations and the reasonable expectations of its stakeholders in relation to risk management. The Chair is accountable to the Board for effective risk management. The Board undertakes to review the management of material business risks at least annually. The objectives of the Company's risk management strategy are to:

- identify risks to the Company;
- balance risk to reward;
- ensure regulatory compliance is achieved; and
- ensure senior executives, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular Board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Company's risk management strategy was formally reviewed by the Board on 22 July 2009 and was considered a sound strategy for addressing and managing risk. A copy of the strategy is available on the Company's website.

11.3 The Board has received assurance from the Chair that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

12 Performance Evaluation of the Board and its Members

12.1 The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience. External advisers may be used to assist in such a process. The Board will then appoint the most suitable candidate who must stand for election at the next general meeting of shareholders.

There is no separate remuneration committee.

Due to the small size and structure of the Board, a separate remuneration committee is not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and senior executives. The Board considers that it is more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. All matters of remuneration will continue to be determined in accordance with Corporations Act requirements, especially in respect to related party transactions. That is, no Directors participate in any deliberations regarding his or her own remuneration or related issues.

The Board meets once a year to review its own performance. The Non-Executive Directors are responsible for regularly evaluating the Executive Director. This evaluation is based on specific criteria, including the Company's business performance, whether long-term strategic objectives are being achieved and the development of management and personnel. The evaluation is taken into account in determining the Executive Director's remuneration. A performance evaluation for the board, its committees and Directors, was in accordance with the process disclosed, took place on 22 July 2009.

13 Company's Remuneration Policies

13.1 Remuneration levels for executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience, qualifications and in accordance with thresholds set in plans approved by shareholders. Each of the Non-Executive Directors receives a fixed fee for their services as Directors. There is no direct link between remuneration paid to any of the Directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

For a full discussion on the company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current year please refer to the remuneration report, which is contained within the Directors' Report.

13.2 All Directors are Non-Executive Directors so there is no difference in remuneration structure.

There are no retirement benefits for Non-Executive Directors.

Project	Tenement Number	Tenement Status	Holder	Prime Minerals Percentage Interest
Lake Mason Uranium Project	E57/591	Granted	Fineloop Holdings Pty Ltd	100
Star of Mangaroon Joint Venture Project	P09/452	Granted	Gascoyne Mines Pty Ltd	JV
Star of Mangaroon Joint Venture Project	E09/1081	Application	Gascoyne Mines Pty Ltd	JV
Lake Mason Uranium Project	E57/753	Application	Fineloop Holdings Pty Ltd	100
Lake Mason Uranium Project	E57/758	Application	Lake Minerals Pty Ltd	100
Lake Mason Uranium Project	E57/784	Application	Fineloop Holdings Pty Ltd	100
Lake Mason Uranium Project	E57/785	Application	Lake Minerals Pty Ltd	100
Lake Mason Uranium Project	E57/786	Application	Lake Minerals Pty Ltd	100

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue	4	**1,843,638**	49,272	**1,917,146**	49,272
Exploration and evaluation expenditure written off		**(782,351)**	1,560	**(703,086)**	1,560
Impairment of investment		**(860,000)**	-	**(950,000)**	-
Depreciation and amortisation		**(7,729)**	(6,235)	**(7,729)**	(6,235)
Directors' fees and benefits expense		**(124,500)**	(150,000)	**(124,500)**	(150,000)
Occupancy expenses		**(36,667)**	(35,200)	**(36,667)**	(35,200)
Other expenses	4	**(264,441)**	(397,426)	**(264,441)**	(397,426)
Loss before income tax benefit		**(232,050)**	(538,029)	**(169,277)**	(538,029)
Income tax benefit	5	**-**	-	**-**	-
Net Loss attributable to members of the Prime Minerals Limited		**(232,050)**	(538,029)	**(169,277)**	(538,029)
Basic loss per share (cents)	6	**(0.71)**	(1.66)		

The accompanying notes form part of these financial statements.

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	7	**591,306**	427,194	**591,103**	425,991
Trade and other receivables	8	**34,271**	27,195	**34,271**	27,195
Total Current Assets		**625,577**	454,389	**625,374**	453,186
Non-Current Assets					
Trade and other receivables	8	**-**	-	**542,409**	486,031
Other financial assets	9	**513,162**	-	**1,287,150**	1,232,150
Plant and equipment	10	**12,922**	20,651	**12,922**	20,651
Exploration and evaluation assets	11	**959,895**	1,854,008	**-**	448,343
Total Non-Current Assets		**1,485,979**	1,874,659	**1,842,481**	2,187,175
Total Assets		**2,111,556**	2,329,048	**2,467,855**	2,640,361
LIABILITIES					
Current Liabilities					
Trade and other payables	12	**60,452**	63,681	**60,452**	63,681
Total Current Liabilities		**60,452**	63,681	**60,452**	63,681
Total Liabilities		**60,452**	63,681	**60,452**	63,681
Net Assets		**2,051,104**	2,265,367	**2,407,403**	2,576,680
EQUITY					
Issued capital	13	**2,317,470**	2,317,470	**2,512,564**	2,512,564
Reserves	14	**923,139**	905,352	**905,352**	905,352
Accumulated losses		**(1,189,505)**	(957,455)	**(1,010,513)**	(841,236)
Total Equity		**2,051,104**	2,265,367	**2,407,403**	2,576,680

The accompanying notes form part of these financial statements.

Consolidated	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
Balance at 1 July 2007	2,285,409	(419,426)	743,602	2,609,585
Securities issued during the year	32,061	-	161,750	193,811
Loss attributable to members of the parent entity	-	(538,029)	-	(538,029)
Balance at 30 June 2008	2,317,470	(957,455)	905,352	2,265,367
Revaluation of asset	-	-	17,787	17,787
Loss attributable to members of the parent entity	-	(232,050)	-	(232,050)
Balance at 30 June 2009	**2,317,470**	**(1,189,505)**	**923,139**	**2,051,104**

Parent	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
Balance at 1 July 2007	2,480,503	(303,207)	743,602	2,920,898
Securities issued during the year	32,061	-	161,750	193,811
Loss attributable to members of the parent entity	-	(538,029)	-	(538,029)
Balance at 30 June 2008	2,512,564	(841,236)	905,352	2,576,680
Loss attributable to members of the parent entity	-	(169,277)	-	(169,277)
Balance at 30 June 2009	**2,512,564**	**(1,010,513)**	**905,352**	**2,407,403**

The accompanying notes form part of these financial statements.

	Note	Consolidated 2009 $ Inflows/ (Outflows)	Consolidated 2008 $ Inflows/ (Outflows)	Parent Entity 2009 $ Inflows/ (Outflows)	Parent Entity 2008 $ Inflows/ (Outflows)
Cash flows from operating activities					
Payments to suppliers and employees		**(431,810)**	(637,019)	**(431,810)**	(637,019)
Interest received		**28,571**	49,272	**28,571**	49,272
Interest paid		**(28)**	(2,335)	**(28)**	(2,335)
Net cash (used in) operating activities	7	**(403,267)**	(590,082)	**(403,267)**	(590,082)
Cash flows from investing activities					
Payment for investment		**(15,375)**	-	**-**	-
Exploration & evaluation expenditure		**(417,246)**	(665,951)	**(375,244)**	(373,406)
Receipt for sale of Barrambie project		**1,000,000**	-	**1,000,000**	-
Purchase of plant and equipment		**-**	(15,208)	**-**	(15,208)
Net cash provided by/(used in) investing activities		**567,379**	(681,159)	**624,756**	(388,614)
Cash flows from financing activities					
Proceeds from issue of shares and options		**-**	193,811	**-**	193,811
Loans to controlled entities		**-**	-	**(56,377)**	(292,545)
Net cash provided by/(used in) financing activities		**-**	193,811	**(56,377)**	(98,734)
Net increase/(decrease) in cash and cash equivalents		**164,112**	(1,077,430)	**165,112**	(1,077,430)
Cash and cash equivalents at beginning of the financial year		**427,194**	1,504,624	**425,991**	1,503,421
Cash and cash equivalents at year end	7	**591,306**	427,194	**591,103**	425,991

The accompanying notes form part of these financial statements.

1. Corporate information

The financial statements of Prime Minerals Limited for the year ended 30 June 2009 were authorised for issue in accordance with a resolution of the directors on 30 September 2009.

Prime Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operation and principal activities of the Group are described in note 3.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (AASB's) (including Australian Interpretations adopted by the Australian Accounting Standards Board (AASB)) which include Australian equivalents to International Financial Reporting Standards (IFRS). These financial statements have also been prepared on an accruals basis and is based on historical costs except where otherwise stated.

The financial statements of the entity comply with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue on 30 September 2009.

(b) New standards and interpretations not yet adopted

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective. These standards have not been adopted by the Company for the year ended 30 June 2009. Amendments issued affecting the company are outlined below:

AASB 101: Presentation of Financial Statements (Revised)
The revised standard affects the presentation of changes in equity and comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other AASB standards however, it is important to note that the AASB has decided that Australian issuers must make use in financial statements of the descriptions- Statement of Financial Performance and Position rather than Balance Sheet and Income Statement and use the term "financial report" and not "financial statement." The Amending Standard updates references in various other pronouncements.

Application date: 1 January 2009

Impact on Company's Financial Report: AASB 101 is a disclosure standard, so will have no direct impact on amounts in the financial report. However amendments will result in changes in disclosures in the financial report.

Amendments / revision of other Accounting Standards and interpretations would not have material impact on Company's financial statements.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Prime Minerals Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year (together referred to as the "Group" or "Consolidated Entity").

The financial statements of the subsidiaries are prepared for the same period as the parent entity, using consistent accounting policies.

2. Summary of Significant Accounting Policies (Continued)

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Mitis Resources Pty Ltd, a legal subsidiary, having been identified as the acquirer pursuant to Accounting Standard AASB 3, was responsible for the reverse acquisition of the Company.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Group has control.

(d) Foreign currency translation
Both the functional and presentation currency of the Parent and the Group is Australian dollars ($AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences arising from the movement in exchange rates are taken to the income statement.

(e) Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(f) Employee benefits expenditure
Employee benefits such as salary and wages are measured at the rate at which the Group expects to settle the liability; and recognised during the period over which the employee services are being rendered.

(g) Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2. Summary of Significant Accounting Policies (Continued)

(h) Trade and other receivables

Receivables are recognised and carried at original costs less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(i) Investments

Investments in subsidiaries are accounted for by applying the "cost" method under AASB 127.

An assessment of the impairment in investments is performed at each reporting date. Where objective evidence exists, the investments are written down through an allowance account.

(j) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment - over 5 to 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued used of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(k) Exploration and evaluation assets

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration an evaluation asset in the period in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

2. Summary of Significant Accounting Policies (Continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(l) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(m) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received and are subsequently measured at amortised cost.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of Significant Accounting Policies (Continued)

(o) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(p) Financial instruments issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs arising on the issue of equity instruments, net of associated tax, are recognised directly in equity as a reduction of the proceeds of the equity instrument to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instrument or component parts of compound instruments.

(q) Financial instruments

The entity's non-derivative financial instruments comprise of cash & cash equivalents, trade & other receivables, and trade & other payables.

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instrument. The derecognition of a financial instrument takes place when the entity no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(r) Income taxes

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

2. Summary of Significant Accounting Policies (Continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Segment reporting

Segment results, assets, and liabilities comprise of amounts directly attributable to the segment, and those which could be reasonably allocated to those segments.

The performance and the position of each segment have been assessed applying the same accounting policies as applicable to the whole entity.

The entity’s primary reporting format is business segment, being exploration and evaluation of mineral resources.

The entity’s secondary reporting format is Geographic based.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Share based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the binomial valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Prime Minerals Limited (market conditions) if applicable.

2. Summary of Significant Accounting Policies (Continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Significant accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Recoverability of capitalised exploration and evaluation assets

The group assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of capitalised exploration and evaluation assets.

2. Summary of Significant Accounting Policies (Continued)

No impairment has been recognised in respect of costs carried forward as exploration assets. The ultimate recoupment of value is dependent on the successful development and commercial exploitation or sale of the respective areas.

(y) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

2. Summary of Significant Accounting Policies (Continued)

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

3. *Segment Reporting*

The entity's primary segment is one business, being exploration and evaluation of mineral resources. During the year ended 30 June 2009 the consolidated entity operated in the following Geographic Segments: Australia, Greenland, Africa, Canada, Bulgaria and US. [2008: Australia, Greenland, Africa, Canada, and Bulgaria]

Geographic Segments

The following table present revenue and certain asset information regarding geographic segments for the year ended 30 June 2009 and period ended 30 June 2008.

Geographic Segment 2009	**Australia $**	**Greenland $**	**Canada $**	**Africa $**	**Bulgaria $**	**US $**	**Total $**
Revenue							
From external customers							
Interest income	28,571	-	-	-	-	-	28,571
Profit on sale of tenements	1,813,849	-	-	-	-	-	1,813,849
Other income	1,218	-	-	-	-	-	1,218
Total revenue	**1,843,638**	**-**	**-**	**-**	**-**	**-**	**1,843,638**
Net Loss							
Net loss for the year	476,117	(249,279)	(9,807)	(412,096)	(18,920)	(18,065)	(232,050)
Assets							
Segment assets	1,520,250	-	-	-	-	-	1,520,250
Cash and cash equivalents	591,306	-	-	-	-	-	591,306
Total assets	**2,111,556**	**-**	**-**	**-**	**-**	**-**	**2,111,556**
Other Segment Information							
Acquisition of non-current segment assets	168,133	108,521	-	134,045	-	18,065	427,764

3. *Segment Reporting (Continued)*

Geographic Segment 2008	**Australia $**	**Greenland $**	**Canada $**	**Africa $**	**Bulgaria $**	**Total $**
Revenue						
From external customers	-	-	-	-	-	-
Unallocated income:						
Interest income	-	-	-	-	-	49,272
Total revenue	**-**	**-**	**-**	**-**	**-**	**49,272**
Assets						
Segment assets	1,454,289	140,757	9,807	278,080	18,920	1,901,854
Unallocated assets:						
Cash and cash equivalents	-	-	-	-	-	427,194
Total assets	**-**	**-**	**-**	**-**	**-**	**2,329,048**
Other segment information						
Acquisition of non-current segment assets	246,428	97,412	3,696	278,080	18,920	644,536

	Consolidated 2009 $	**Consolidated 2008 $**	**Parent Entity 2009 $**	**Parent Entity 2008 $**
4. *Revenue and Expenditure*				
(a) Revenue				
Interest received – other corporations	**28,571**	49,272	**28,571**	49,272
Profit on sale of Barrambie tenements	**1,813,849**	-	**1,887,357**	-
Other	**1,218**	-	**1,218**	-
	1,843,638	49,272	**1,917,146**	49,272
(b) Expenses				
Stock exchange and registry fees	**40,661**	60,631	**40,661**	60,631
Legal fees	**19,377**	12,960	**19,377**	12,960
Audit fees	**43,263**	28,812	**43,263**	28,812
Consulting fees	**1,842**	52,000	**1,842**	52,000
Other	**159,298**	243,023	**159,298**	243,023
	264,441	397,426	**264,441**	397,426

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
5. *Income Tax*				
(a) Income Tax Expense				
The income tax expense for the year differs from the prima facie tax as follows:				
Loss for year	**(232,050)**	(538,029)	**(169,277)**	(538,029)
Prima facie income tax benefit @ 30%	**(69,615)**	(161,409)	**(50,783)**	(161,409)
Tax effect of non-deductible items	**5,007**	59	**5,007**	59
Deferred tax assets not brought to account	**(413,949)**	161,350	**(413,949)**	161,350
Other deferred tax assets and tax liabilities not recognised	**220,594**	-	**86,863**	-
Additional assessable income on disposal of tenements	**135,456**	-	**135,456**	-
Deferred tax liability on business combination	**(134,673)**	-	**-**	-
Assumption of tax losses from subsidiaries	**-**	-	**(47,594)**	-
Net impairment of investments	**258,000**	-	**285,000**	-
Other	**(820)**	-	**-**	-
Total income tax expense	**-**	-	**-**	-

(b) Unrecognised Deferred Tax Balances

The following deferred tax assets and (liabilities) have not been brought to account:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Losses available for offset against future taxable income - revenue	**762,637**	213,212	**762,637**	201,108
Other temporary timing differences	**93,159**	-	**92,486**	-
	855,796	213,212	**855,123**	201,108
Deferred tax liabilities comprise:				
Exploration expenditure capitalised	**287,968**	-	**-**	-
Other temporary timing differences	**5,374**	-	**5,374**	-
	293,342	-	**5,374**	-

(c) Income Tax Benefit Not Recognised Directly in Equity:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Share issue costs	**207,149**	207,149	**207,149**	207,149
	207,149	207,149	**207,149**	207,149

Tax Consolidation

On the 21 December 2006 Prime Minerals Limited and its 100% owned Australian resident subsidiaries at that time formed a tax consolidated group. Wholly owned subsidiaries purchased after that date also form part of the tax consolidated group. The entities in the tax consolidated group have not entered into a tax sharing/funding agreement.

	Consolidated 2009 $	Consolidated 2008 $
6. *Loss per Share (EPS)*		
Basic loss per share (cents)	**(0.71)**	(1.66)
The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Net loss for year	**(232,050)**	(538,029)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic EPS	**32,510,303**	32,461,494

Diluted earnings per share have not been calculated as there were no options on issue which would be potential ordinary shares having a dilutive effect.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
7. *Cash and Cash Equivalents*				
Cash at bank	**591,306**	427,194	**591,103**	425,991

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of loss for the year to net cash flows used in operating activities:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Loss for the year	**(232,050)**	(538,029)	**(169,277)**	(538,029)
Non cash items				
Profit on sale of tenements	**(1,813,849)**	-	**(1,887,357)**	-
Depreciation	**7,729**	6,235	**7,729**	6,235
Exploration expenditure written off	**782,351**	-	**703,086**	-
Impairment of investments	**860,000**	-	**950,000**	-
Changes in assets and liabilities				
Receivables	**(7,075)**	9,540	**(7,075)**	9,540
Payables	**(373)**	(67,828)	**(373)**	(67,828)
Net cash flows (used in) operating activities	**(403,267)**	(590,082)	**(403,267)**	(590,082)

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
8. *Trade and other receivables*				
Current				
GST receivable	**16,293**	27,195	**16,293**	27,195
Prepayments	**17,914**	-	**17,914**	
Other	**64**	-	**64**	
	34,271	27,195	**34,271**	27,195
Non-Current				
Unsecured loans to controlled entities				
Fineloop Holdings Pty Ltd	**-**	-	**510,716**	372,120
Megaworld Pty Ltd	**-**	-	**15,375**	(1,434)
Australian Vanadium Corporation Pty Ltd	**-**	-	**-**	115,345
Gascoyne Mines Pty Ltd	**-**	-	**16,318**	-
	-	-	**542,409**	486,031

Loans to controlled entities are unsecured and interest free. The ultimate recoupment of unsecured loans to controlled entities is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest of exploration being undertaken by that company.

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
9. *Other financial assets*				
Available for sale investments carried at fair value[(i)]:				
Listed shares – at fair value	**513,162**	-	**480,000**	-
Investments carried at cost:				
Investment in subsidiaries	**-**	-	**897,150**	1,232,150
Less impairment	**-**	-	**(90,000)**	-
	-	-	**807,150**	1,232,150
	513,162	-	**1,287,150**	1,232,150

[(i)] Available for sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

Shares in Controlled Entity	Country of Incorporation	Ownership Interest 2009	Ownership Interest 2008	Carrying Amount in Parent Entity 2009	Carrying Amount in Parent Entity 2008
Fineloop Holdings Pty Ltd	Australia	**100%**	100%	**60,000**	80,000
Megaworld Pty Ltd	Australia	**100%**	100%	**-**	50,000
Prime Uranium Pty Ltd	Australia	**100%**	100%	**-**	20,000
Australian Vanadium Corporation Pty Ltd	Australia	**0%**	100%	**-**	335,000
Lake Minerals Pty Ltd	Australia	**100%**	100%	**747,150**	747,150
Zim-Iron Malaysia Sdn Bhd	Malaysia	**0%**	0%	**-**	-
				807,150	1,232,150

9. *Other financial assets (Continued)*

The ultimate recoverability of the investments is contingent upon successful development of the mining tenements held by the subsidiaries.

On 12 September 2008 Zim-Iron Malaysia Sdn Bhd was incorporated by the Company for a 100% ownership interest and then deregistered on 2 June 2009. There were no transactions other than $1,842 of consulting fees for this subsidiary.

On 1 September 2008 the Company sold its wholly owned subsidiary Australian Vanadium Corporation Pty Ltd (Formerly Prime Iron Ore Pty Ltd) applicant for exploration licences E57/742 and E57/743 to Reed Resources Limited (ASX:RDR).

Terms of Sale

- $1 million cash;
- 2 million Ordinary Shares in Reed Resources Limited;
- 2% Net Smelter Royalty of production from within the relevant tenement area;
- Original Vendor free carried to 20% until completion of Bankable Feasibility Study.

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
10. *Plant and Equipment*				
Plant and equipment – at cost	**27,345**	27,345	**27,345**	27,345
Accumulated depreciation	**(14,423)**	(6,694)	**(14,423)**	(6,694)
Total written down amount	**12,922**	20,651	**12,922**	20,651
Reconciliation				
At 1 July, net of accumulated depreciation	**20,651**	11,678	**20,651**	11,678
Additions	**-**	15,208	**-**	15,208
Depreciation charge for year	**(7,729)**	(6,235)	**(7,729)**	(6,235)
At 30 June, net of accumulated depreciation	**12,922**	20,651	**12,922**	20,651

11. *Exploration and Evaluation Assets*

Costs carried forward in respect of areas of interest in the following phases:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Exploration and evaluation phase				
Balance at beginning of year	**1,854,008**	1,216,864	**448,343**	103,743
Expenditure in respect of areas of interest sold	**(525,151)**	-	**-**	-
Expenditure incurred during year	**413,389**	637,144	**254,743**	344,600
Expenditure written off during year(i)	**(782,351)**	-	**(703,086)**	-
Balance at end of year	**959,895**	1,854,008	**-**	448,343

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

11. *Exploration and Evaluation Assets (Continued)*

The ultimate recoupment of the exploration and evaluation expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

(i) Included in the above expenditure written off is the following expenditure incurred in respect of the following regions where the consolidated entity is yet to obtain rights to tenure:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Canada	**9,807**	-	**9,807**	-
Africa	**412,096**	-	**412,096**	-
Bulgaria	**18,920**	-	**18,920**	-
USA	**18,065**	-	**18,065**	-
	458,888	-	**458,888**	-

12. *Trade and Other Payables*

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Current				
Trade payables and accruals				
Other corporations	**50,552**	45,683	**50,552**	45,683
Director related entities	**9,900**	17,998	**9,900**	17,998
	60,452	63,681	**60,452**	63,681

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

13. *Issued Capital*

(a) Issued and paid up capital

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Ordinary shares fully paid	**2,317,470**	2,317,470	**2,512,564**	2,512,564

	Consolidated Number	Consolidated $	Parent Entity Number	Parent Entity $
Balance at 1 July 2007	32,350,001	2,285,409	32,350,001	2,480,503
Option exercise	160,302	32,061	160,302	32,061
Balance at 30 June 2008	32,510,303	2,317,470	32,510,303	2,512,564
Balance at 30 June 2009	**32,510,303**	**2,317,470**	**32,510,303**	**2,512,564**

13. *Issued Capital (Continued)*

(b) Options

	Consolidated Number	Parent Entity Number
Balance at 1 July 2007	3,700,000	3,700,000
Non-renounceable offer issued on 3 August 2007	16,175,000	16,175,000
Option exercise	(160,302)	(160,302)
Balance at 30 June 2008	**19,714,698**	**19,714,698**
Balance at 30 June 2009	**19,714,698**	**19,714,698**

(c) Share Options

At the end of the year, the following options over unissued ordinary shares were outstanding:

19,714,698 options expiring 31 October 2009 at an exercise price of 20 cents each.

In addition to the standard terms of these options, the options issued to directors (1,050,000 options) are subject to the additional term that such options may be cancelled at the discretion of the Board if that director resigns his position voluntarily within two years of appointment.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

(e) Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The entity assesses the adequacy of its capital requirements and the cost of capital as a part of its broader strategic plan. There were no changes in the entity's approach to capital management during the year.

The entity is not subject to externally imposed capital requirements.

As is similar with many other junior exploration entities, the operations are generally funded through the issue of equity instruments, such as shares and options.

14. *Reserves*

Consolidated	Share Based Payment Reserve	Option Premium Reserve	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 1 July 2007	56,452	687,150	-	743,602
16,175,000 options issued for cash pursuant to issue of a prospectus	-	161,750	-	161,750
Balance at 30 June 2008	**56,452**	**848,900**	**-**	**905,352**
Revaluation of asset	-	-	17,787	17,787
Balance at 30 June 2009	**56,452**	**848,900**	**17,787**	**923,139**

Parent Entity	Share Based Payment Reserve	Option Premium Reserve	Total
Balance at 1 July 2007	56,452	687,150	743,602
16,175,000 options issued for cash pursuant to issue of a prospectus	-	161,750	161,750
Balance at 30 June 2008	**56,452**	**848,900**	**905,352**
Balance at 30 June 2009	**56,452**	**848,900**	**905,352**

The share-based payments reserve is used to recognise the fair value of options issued as part of remuneration of directors, employees and consultants reserve.

The option premium reserve is used to accumulate proceeds received from the issue of options and the value of options issued as consideration for the acquisition of non-current assets.

The asset revaluation reserve is used to record increases in the fair value of investments in listed shares.

15. *Share Based Payments*

There was no share-based payment arrangements during the year ended 30 June 2009.

16. ***Commitments and Contingencies***

Exploration Commitments

The consolidated entity has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the accounts. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Not later than one year	**107,000**	350,000	**107,000**	350,000

Joint Venture Commitment

Pursuant to a joint venture agreement, the Group must spend $500,000 by no later than 31 October 2010. Due to the fact the tenements are still under application, current yearly commitment is minimal at $5,000. The Company may not withdraw from the arrangement unless it has spent a minimum of $100,000 in exploration on the project.

Contingent Liabilities

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

17. ***Related Party Disclosures***

(a) Parent entity

The ultimate parent entity within the Group is Prime Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 9.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

17. *Related Party Disclosures*

(d) Loans to related parties

	Parent Entity 2009	Parent Entity 2008
	$	**$**
Loans to subsidiary		
Balance at beginning of year	**486,031**	193,487
Loans advanced	**56,378**	292,544
Balance at end of year	**542,409**	486,031

Prime Minerals Limited has provided unsecured, interest free loans to its wholly owned subsidiaries. A impairment assessment is undertaken each financial year by examining the financial position of th subsidiary and the market in which the subsidiary operates to determine whether there is objective evidenc that the subsidiary is impaired. When such objective evidence exists, the company recognises an allowanc for the impairment loss.

(e) Other transactions

There were no other related party transactions during the year.

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
	$	**$**	**$**	**$**
18. *Auditors' Remuneration*				
Amounts, received or due and receivable by auditors for:				
- an audit or review services	**33,463**	32,176	**33,463**	32,176
- other services	**9,800**	-	**9,800**	-
	43,263	32,176	**43,263**	32,176

19. *Director and Executive Disclosures*

(a) Details of Specified Directors and Specified Executives

Directors	**Position**	**Appointed On**
Vincent Kenneth Hyde	Executive Chairman	27 July 2006
Emilio Pietro Del Fante	Non-Executive Director	27 July 2006
Graeme Boyer	Non-Executive Director	26 March 2007

Specified Executives
The entity had no specified executives per the Corporations Act during 2009 and 2008.

(b) Remuneration Policy
The remuneration policy of Prime Minerals Limited as it applies to key management personnel is disclosed in the Remuneration Report contained in the Directors' Report.

19. *Director and Executive Disclosures (Continued)*

(c) Remuneration of Directors

	Primary	Share-based	
2009	**Salary and fees $**	**Options $**	**Total $**
V Hyde	90,000	-	**90,000**
E Del Fante	24,000	-	**24,000**
G Boyer	24,000	-	**24,000**
Total	138,000	-	**138,000**

	Primary	Share-based	
2008	**Salary and fees $**	**Options $**	**Total $**
V Hyde	90,000	-	**90,000**
E Del Fante	30,000	-	**30,000**
G Boyer	30,000	-	**30,000**
Total	150,000	-	**150,000**

(d) Shares Issued, Held and Transacted by Directors

	Balance 30/06/08	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/09
V Hyde	100,000	-	-	-	100,000
E Del Fante	-	-	-	-	-
G Boyer	10,000	-	-	-	10,000

	Balance 30/06/07	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/08
V Hyde	100,000				100,000
E Del Fante	-	-	-	-	-
G Boyer	10,000	-	-	-	10,000

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(e) Option holdings of Key Management Personnel

	Balance 30/06/08	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/09
V Hyde	550,000	-	-	-	550,000
E Del Fante	500,000	-	-	-	500,000
G Boyer	5,000	-	-	-	5,000

	Balance 30/06/07	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/08
V Hyde	550,000	-	-	-	550,000
E Del Fante	500,000	-	-	-	500,000
G Boyer	-	-	-	5,000*	5,000

* - Acquired under the Non-renounceable offer issued on 3 August 2007

19. *Director and Executive Disclosures (Continued)*

(f) Other Transactions with Directors

There were no other transactions during the year or outstanding balances at 30 June 2009 in relation to Directors.

20. *Financial Instruments*

As at the reporting date, the Consolidated and Parent entity's financial instruments comprise of (i) cash and cash equivalents; (ii) trade and other receivables; and (iii) trade and other payables.

(a) Fair Value of Financial Instruments

The fair values and carrying amounts of various financial instruments recognised at reporting date are noted below:

		2009		**2008**	
Consolidated	**Note**	**Carrying Amount**	**Fair Values**	**Carrying Amount**	**Fair Values**
Cash and cash equivalents	7	**591,306**	**591,306**	427,194	427,194
Trade and other receivables	8	**34,271**	**34,271**	27,195	27,195
Available for sale financial assets	9	**513,162**	**513,162**	-	-
Trade and other payables	12	**(60,452)**	**(60,452)**	(63,681)	(63,681)
		1,078,287	**1,078,287**	390,708	390,708

The carrying amounts of the financial instruments are reasonable approximation of their fair values, on account of their short maturity cycle (except for the Parent's receivable from subsidiaries).

The ultimate recoverability of the Parent's receivable from subsidiaries are dependent upon successful development or sale of the tenements held by the subsidiaries. As at the reporting dates, the tenements were still under exploration/application stages, and the assessment of fair value of the receivables is impractical.

(b) Risk Management Strategies

The entity is exposed to (i) credit risks; (ii) liquidity risks; (iii) interest rate risks and (iv) market risk. The nature and extent of risk exposure, and the entity's risk management strategies are noted below.

20. *Financial Instruments (Continued)*

(i) Credit Risks:

Credit risk refers to the risk that a counterparty to the financial instruments would default in honouring its commitment per the contractual terms.

The maximum credit risks at the reporting dates were:

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Trade and other receivables	**34,271**	27,195	**34,271**	27,195
Receivables from subsidiaries	**-**	-	**542,409**	486,031
	34,271	27,195	**576,680**	513,226

The trade and other receivables primarily consist of GST recoverable from the Australian Commonwealth. The management does not consider the recoverability as a risk.

The Parent entity does not have any specific policy regarding monitoring of credit risks arising through receivables from subsidiaries. The management's policy is to monitor the entire group's credit exposure.

There has been no change in the above policy since prior year.

(ii) Liquidity Risks:

Liquidity risk is the risk that the entity will encounter difficulties to meet its contractual obligations arising from the financial liabilities.

Liquidity risk is constantly monitored and managed through forecasting operating cash requirements per the existing commitments, and future expected operating cash outflows.

There has been no change in the above policy since prior year.

Maturity analysis of contractual undiscounted cash-flows on financial liabilities at reporting date.

	Consolidated < 3 Months $	Consolidated Total $	Parent Entity < 3 Months $	Parent Entity Total $
2009				
Trade and other payables	**(60,452)**	**(60,452)**	**(60,452)**	**(60,452)**
	(60,452)	**(60,452)**	**(60,452)**	**(60,452)**
2008				
Trade and other payables	(63,681)	(63,681)	(63,681)	(63,681)
	(63,681)	(63,681)	(63,681)	(63,681)

20. *Financial Instruments (Continued)*

(iii) Interest Rate Risk:

Interest rate risk is the risk that the fair values and cash-flows of the entity's financial instruments will be affected by changes in the market interest rates.

The entity's cash and cash equivalents are exposed to interest rate risks.

Sensitivity of the entity's financial instruments to changes in market interest rates:

The sensitivity of the entity's financial instruments to a 1% movement in market interest would have the following impact on the loss and equity:

	2009	**2009**	**2008**	**2008**
	+1%	**-1%**	**+1%**	**-1%**
	$	**$**	**$**	**$**
Consolidated				
Cash and cash equivalents	**5,913**	**(5,913)**	4,272	(4,272)
Parent Entity				
Cash and cash equivalents	**5,910**	**(5,910)**	4,260	(4,260)

(iv) Market Risk:

The Group's activities expose it primarily to the financial risks of changes in commodity prices and exchange rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous year.

21. *Events Subsequent to Year End*

No other item, transaction or event of a material and unusual nature has arisen since the end of the financial year that in the opinion of the Directors of the Company will affect substantially the operations of the consolidated entity in subsequent financial years.

1. In the opinion of the directors:

   a) The financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year then ended; and

      ii) complying with Accounting Standards and the Corporations Regulations 2001;

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   c) the financial statements also comply with International Financial Reporting Standards noted in Note 2(a).

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

This declaration is signed in accordance with a resolution of the Board of Directors.

Vincent Hyde
Executive Chairman

Perth, 30 September 2009

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of
Prime Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Prime Minerals Limited ("the company"), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 23 to 50. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au
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Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

(a) the financial report of Prime Minerals Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 12 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Prime Minerals Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd.

HLB MANN JUDD
Chartered Accountants

WClark

Perth, Western Australia
30 September 2009

W M CLARK
Partner

HOLDINGS AS AT 9 SEPTEMBER 2009

Number of Securities Held	FULLY PAID SHARES No. of Holders	LISTED OPTIONS 31 October 2009 No. of Holders
1 to 1,000	32	23
1,001 to 5,000	90	142
5,001 to 10,000	140	61
10,001 to 100,000	235	121
100,001 and over	30	23
Total Number of Holders	527	370
Number of holders of less than a marketable parcel	94	
Percentage of the 20 largest holders	66.86%	69.25%

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

	Number
Rulston Pty Ltd	7,010,000
Colbern Nominees Pty Ltd <The Colbern A/C>	7,000,000

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

HOLDINGS AS AT 9 SEPTEMBER 2009 (Continued)

20 Largest Holders of Securities as at 9 September 2009:

Fully Paid Ordinary Shares

		No.	%
1.	Rulston Pty Ltd	7,010,000	21.56
2.	Colbern Nominees Pty Ltd	7,000,000	21.53
3.	Cangu Pty Ltd <Cangu Family A/C>	1,000,000	3.08
4.	Landlife Corporation Pty Ltd	1,000,000	3.08
5.	UBS Wealth Management Australia Nominees Pty Ltd	948,000	2.92
6.	Ellaz Pty Ltd <The Ripper Family A/C>	850,000	2.61
7.	Bluebase Pty Ltd	500,000	1.54
8.	Mr Geoffrey William Evans	500,000	1.54
9.	Landlife Corporation Pty Ltd	384,032	1.18
10.	Ekul Nominees Pty Ltd	300,000	0.92
11.	Ms Jessica Oriwia Gush	300,000	0.92
12.	Kingsilver Pty Ltd <Kingsilver Super Fund A/C>	287,210	0.88
13.	Mr Mervyn Ian Leo & Mrs Shirley Ethel Bassett <Y-Z Superannuation Fund A/C>	250,000	0.77
14.	Icerig Nominees Pty Ltd	250,000	0.77
15.	West Coast Projects Pty Ltd <Bruce Hawley S/Fund A/C>	250,000	0.77
16.	Eiffel Investments Pty Ltd <AJ Graham Family A/C>	200,000	0.62
17.	Eppae Nominees Pty Ltd	200,000	0.62
18.	Mr Kelvin Glen & Mrs Beverley Anne Crosby	170,000	0.52
19.	Willingvale Pty Ltd	170,000	0.52
20.	Peter Kyros Pty Ltd <Superannuation Fund A/C>	166,000	0.51
		21,735,242	66.86

Options 31 October 2009

		No.	%
1.	Rulston Pty Ltd	3,505,000	20.01
2.	Colbern Nominees Pty Ltd	3,500,000	19.98
3.	UBS Wealth Management Australia Nominees Pty Ltd	571,500	3.26
4.	Cangu Pty Ltd <Cangu Family A/C>	500,000	2.85
5.	Berrima Nominees Pty Ltd	400,000	2.28
6.	Johnstone Properties Pty Ltd	365,000	2.08
7.	Enthrone Pty Ltd	350,000	2.00
8.	Willingvale Pty Ltd	346,205	1.98
9.	Kelverley Pty Ltd <Rerani Super Fund A/C>	300,000	1.71
10.	Mr Alan Robert Marriott	300,000	1.71
11.	Portobello Holdings Pty Ltd	300,000	1.71
12.	Mr Mark Becker & Ms Brenda Shackley	250,000	1.43
13.	Mr Geoffrey William Evans	250,000	1.43
14.	Dibble Nominees Pty Ltd <Graham Becker Family A/C>	245,000	1.40
15.	Landlife Corporation Pty Ltd	225,000	1.28
16.	Peter Kyros Pty Ltd <Superannuation Fund Account>	175,000	1.00
17.	Ms Jessica Oriwia Gush	150,000	0.86
18.	Eevo Pty Ltd	137,000	0.78
19.	Mr Kelvin Glen Crosby & Mrs Beverley Anne Crosby	135,000	0.77
20.	Icerig Nominees Pty Ltd	125,000	0.71
		12,129,705	69.25

Unlisted Options

Details of unlisted option holders are as follows:

Class of unlisted options	No of Options	No of Holders
Options exercisable at 20 cents each on or before 31 October 2009	1,350,000	5
Holdings of more than 20% of this class		
- Vincent Kenneth Hyde	500,000	
- Red Bluff Nominees Pty Ltd	500,000	

Restricted Securities

The company has no restricted securities on issue as at the date of this report.