



PRIME MINERALS LIMITED

Level 1, 8 Parliament Place, West Perth WA 6005

PO Box 1618 West Perth WA 6872

Telephone: +61 8 9481 7833 Facsimile: +61 8 9481 7835

30 October 2009

The Manager
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1. CORPORATE ACTIVITIES

Effective 20 October 2009, Chairman Vincent Hyde and non-executive Directors Cecil Lee and Warren Dunne have resigned from the board of Prime Minerals Ltd ('Prime'). A new team has replaced the board, with Sol Majteles as Chairman and the two non-executive Directors being Michael Scivolo and Robert Collins.

The new board looks forward to reviewing the Company's existing projects, whilst also evaluating and pursuing new opportunities in both Australia and overseas.

2. EXPLORATION ACTIVITIES

Exploration has continued on the Company's project areas, as detailed below:

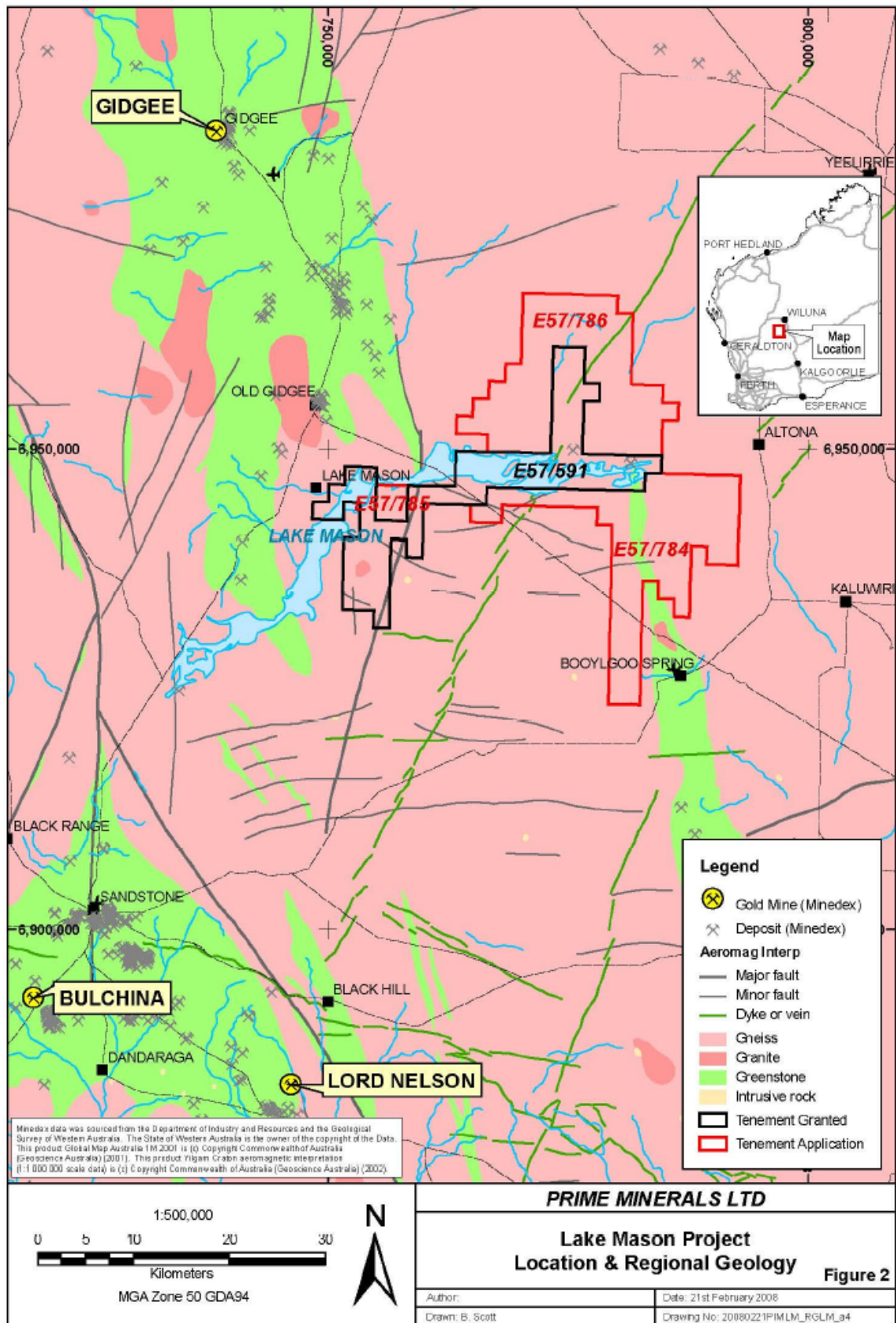
2.1 LAKE MASON URANIUM PROJECT, WESTERN AUSTRALIA

Prime holds 100% of three exploration licenses (E 57/591, ELA 784 & 785) covering the eastern section of the Lake Mason palaeo-drainage. The tenement covering the lake itself, E 57/591, is currently granted with the surrounding tenements, ELA 57/784-5, are currently under application.

The Lake Mason project includes the Bolitho Bore uranium prospect, which was discovered by Uranex in the 1980's. 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.

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 uranium oxide values greater than 100 ppm. Prime has focused on the calcrete-hosted uranium mineralisation at Bolitho Bore.

Interpretation of the results of Prime's drilling concluded the mineralisation at Bolitho Bore to be more extensive and of **higher grade** than outlined by the 1980 drilling. The mineralisation remains open to the west and it is likely that additional drilling will extend the known body of mineralisation.

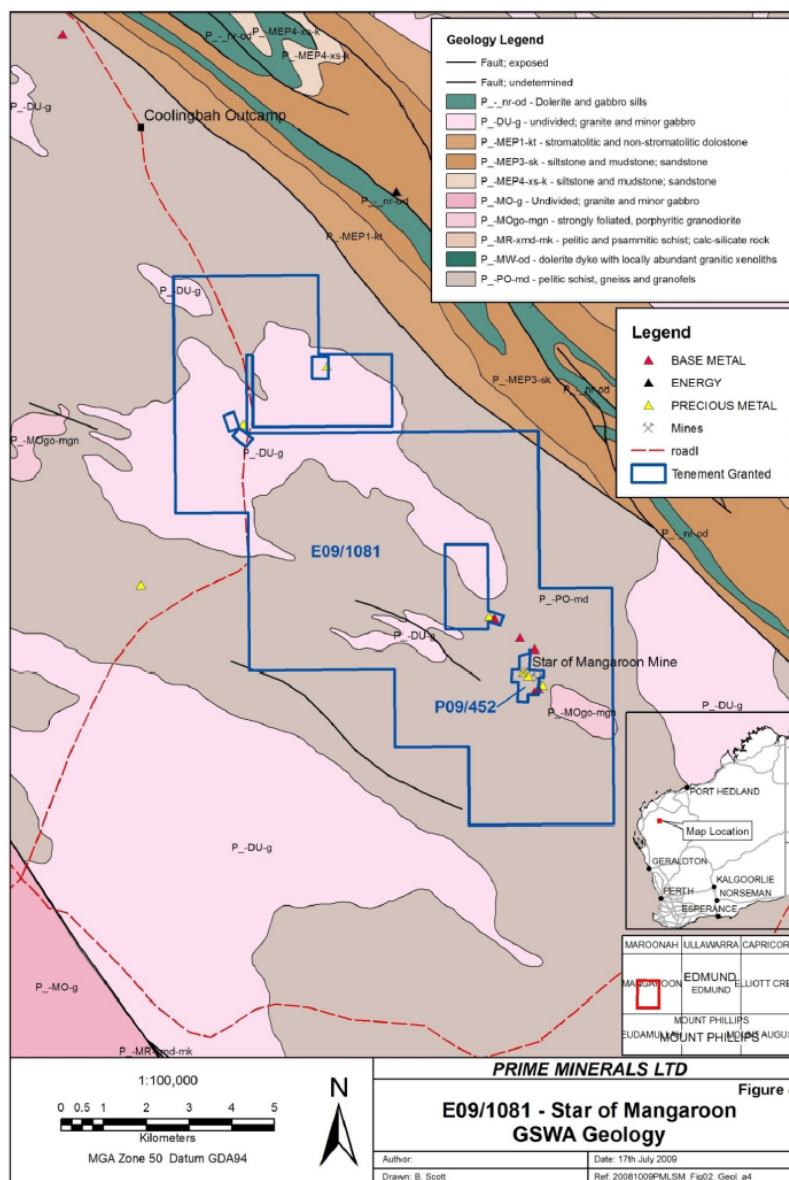


The new board and management will undertake a detailed review of the Lake Mason project prior to the re-commencement of the active exploration programme.

2.2 MANGAROON GOLD PROJECT, GASCOYNE PROVINCE, WA

Prime holds one granted exploration license (E /09/1081) and one granted prospecting license (P 09/452) covering the historic 'Star of Mangaroon' gold mine. The Star of Mangaroon gold mine was historically the largest gold producer in the Gascoyne region. The mine operated between 1960 and 1983, producing 7,464 oz of gold from 5,357 tonnes of ore at an **average grade of 34.8 gpt gold**.

The deposit was discovered in 1956 by the local pastoralist, with the majority of the gold produced being mined from underground. The deepest level exploited in the mine was only 90 metres below surface.



Drilling post-1994 intersected further mineralisation at a depth of 156 metres, below the partially mined high-grade lode in the upper sections of the mine; the extensions of the mineralisation remain open at depth.

A recent regional review by the GSWA has provided a better understanding of the complex geology, stratigraphy and structural history of the Gascoyne Complex. An evaluation of the project concluded that the most likely geological model for the gold mineralisation in the Mangaroon area is a shear related, stacked system of **auriferous, high-grade quartz veins** hosted within a sequence of altered sediments and volcanic rocks.

The new board and management will undertake a detailed review of the Mangaroon project prior to the re-commencement of the active exploration programme.

The board and management look forward to updating shareholders as the Company's exploration and project generation programme advances.

Yours faithfully,

David Zukerman
Company Secretary
Prime Minerals Ltd

For further information please contact:
David Zukerman, Company Secretary

Phone (08) 9481 7833

Or consult our website:

<http://www.primeminerals.com.au/>

Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Mr. Putt has sufficient experience that is relevant to the various styles of mineralisation and types of deposit under consideration, and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Prime Minerals Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Prime Minerals Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.