



# PRIME MINERALS LIMITED

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30 January 2009

## QUARTERLY ACTIVITIES REPORT ENDING 31 DECEMBER 2008

### LAKE MASON URANIUM PROJECT

Uranium anomalies identified from Prime Minerals Limited's ("Prime") detailed low level airborne radiometric survey over its Lake Mason Project (**Refer Figure 1**) were followed-up with a scout air core drilling program (126 vertical holes totaling 1,898 metres). This program tested several of the targets identified from the airborne survey. Preliminary assay results from this drilling were reported previously.

The down-hole gamma logs showed that 46 of the 126 holes intersected maximum uranium oxide values greater than 100ppm.

Sections of the down-hole gamma log results demonstrate that the uranium mineralisation at Bolitho Bore has been developed in layers at a depth of 0 to 6 metres from the surface. The logs also show that the mineralised zones are 1 to 3 metres thick.

In summary, the previous drilling and logging program undertaken by Prime has shown that the Bolitho Bore uranium mineralisation is more extensive and of higher grade than that reported by previous explorers in the 1980's and 1990's. Desk top studies are being carried out.

### BACKGROUND

At Lake Mason in Western Australia, Prime holds a 100% interest in five exploration licences which cover 860 km<sup>2</sup> of predominantly Archaean granitoids and greenstones, over which the Lake Mason drainage system has been developed (Refer Figure 1). The Lake Mason Project area lies 40km SW of BHP Billiton's Yeelirrie uranium deposit, which is the largest calcrete deposit in the world containing 52,000t of uranium oxide. The Yeelirrie deposit comprises a sheet-like body, some 9 km long and 0.5 km to 1.5 km wide, averaging 3 metres in thickness and shares some similarities with Lake Mason.

### NEW PROJECTS

Prime Minerals is currently evaluating several overseas projects that have the potential to become mines.

### GREENLAND MULTI ELEMENT TENEMENTS

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.



**Vincent Hyde**

Chairman

Prime Minerals Limited

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*The information in this announcement that relates to geophysical surveys has been reviewed by consultant Geophysicist Mr William Robertson, a Member of the Australian Institute of Geoscientists (MAIG) whose services are provided by Value Adding Geophysics. Mr Robertson has sufficient relevant experience in the styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.*

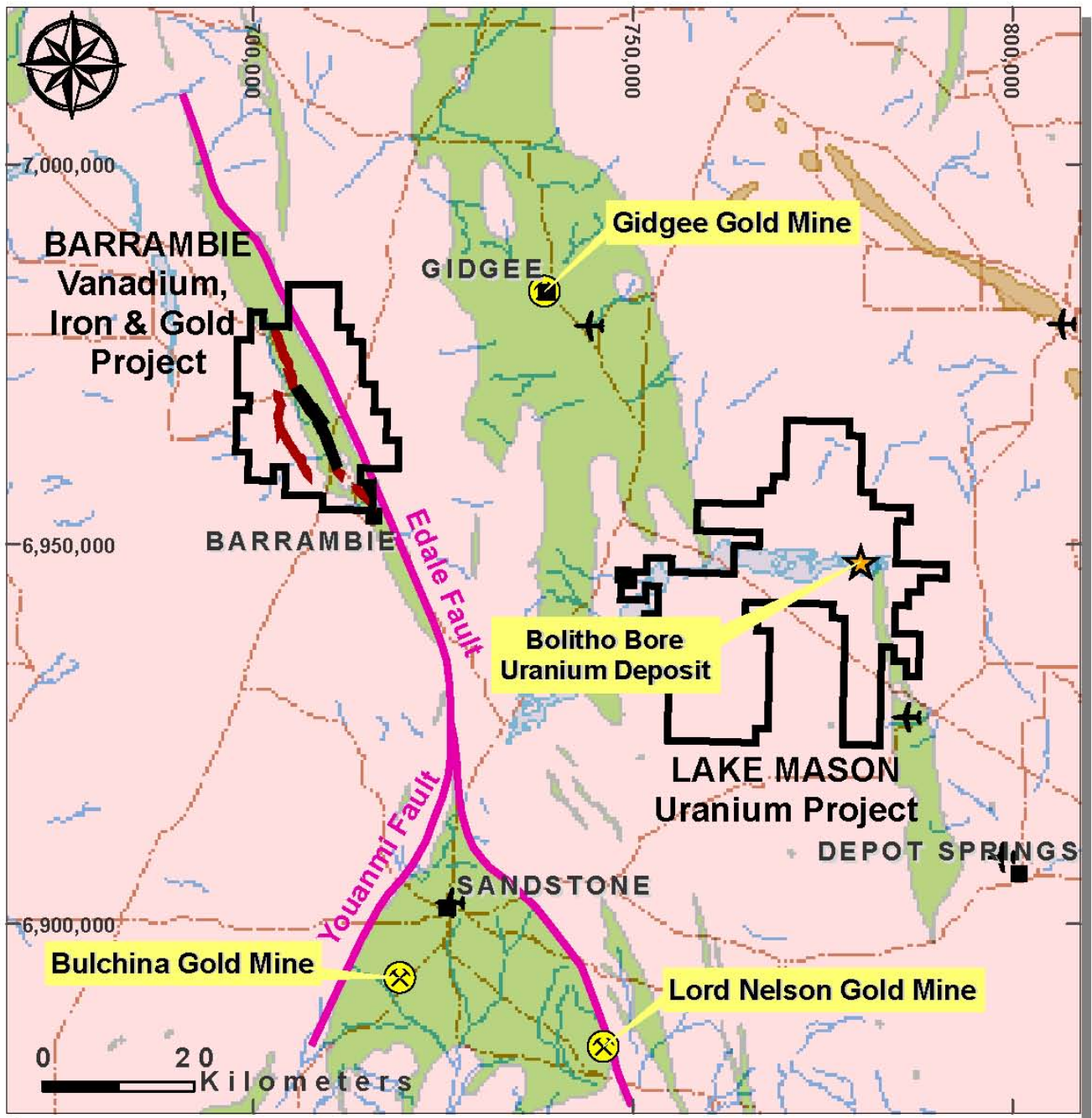
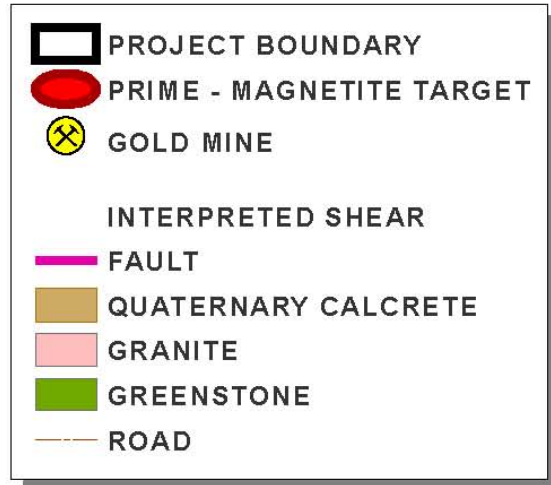


Figure 1  
**PRIME MINERALS LIMITED**  
**Barrambie Project**  
**Location Plan over**  
**Regional Geology**



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PRIME MINERALS LIMITED
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ABN

61 120 658 498
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Quarter ended ("current quarter")

31 December 2008
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(220)	(272)
(b) development	-	-
(c) production	-	-
(d) administration	(129)	(274)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(336)</b>	<b>(523)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	1,000
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>1,000</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(336)</b>	<b>477</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(336)	477
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net (decrease) in cash held</b>	(336)	477
1.20	Cash at beginning of quarter/year to date	1,240	427
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	904	904

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	17
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Executive and non executive directors salaries

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

+ See chapter 19 for defined terms.

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
<b>Total</b>	<b>100</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	91	8
5.2 Deposits at call	814	1,233
5.3 Bank overdraft	(1)	(1)
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>904</b>	<b>1,240</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	EL2007/35-37	Surrendered	70%	0%

### Issued and quoted securities at end of current quarter

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

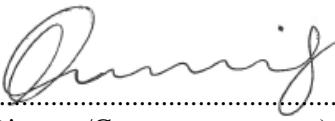
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	32,510,303	32,510,303		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	19,714,698	19,714,698	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31 October 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
.....  
(Director/Company secretary)

Date: 30 January 2009

Print name: .....Vincent Hyde.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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