

PRIME MINERALS LIMITED

Level 1, 8 Parliament Place, West Perth WA 6005

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

30 November 2011

**The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000**

Dear Sir,

RIGHTS ISSUE – INFORMATION FOR SHAREHOLDERS

Attached is a copy of a letter which is being despatched to Australian and New Zealand shareholders today.

**Yours faithfully,
David N Zukerman
Company Secretary
Prime Minerals Limited**

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Dear Shareholder

RIGHTS ISSUE INFORMATION FOR SHAREHOLDERS

As you may be aware, the Prime Minerals Limited (ACN 120 658 497) ("**Company**") will shortly be offering to you an opportunity to acquire more shares in the Company pursuant to an underwritten pro-rata renounceable rights issue to shareholders of 299,239,952 new shares on the basis of eight new shares for every one share held on the record date at an issue price \$0.0125 per new share, to raise approximately \$3,740,499 ("**Rights Issue**"). The Rights Issue is fully underwritten by Cunningham Peterson Sharbanee Securities Pty Limited.

This Rights Issue will be made pursuant to a Prospectus and if you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.

A copy of the Prospectus has been lodged with ASX and is available on the ASX website and will be available on the Company's website www.primeminerals.com.au.

Pursuant to the Listing Rules of the Australian Securities Exchange ("**Listing Rules**"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Approximately 299,239,952 new shares will be issued pursuant to the Rights Issue.
2. The new shares to be issued will rank equally in all respects from the date of allotment with the existing quoted ordinary shares.
3. The issue price of the new shares will be \$0.0125 each.
4. The Company will apply for quotation of the new shares issued pursuant to the Rights Issue on the official list of the ASX.
5. The funds raised by the Rights Issue will be used towards:
 - (a) funding the costs of the Rights Issue;
 - (b) costs of identifying, assessing, and conducting due diligence on any new projects identified by the Company, and costs of acquisition if a suitable new project is found;
 - (c) funding continuing exploration and development expenditure on the Company's uranium exploration project located central to the Lake Mason palaeo-drainage system in Western Australia;
 - (d) corporate administration costs; and
 - (e) working capital.
6. The securities will be entered into uncertificated holdings on 6 January 2012.

7. The total number and class of all securities quoted on ASX (including the maximum number of new shares to be issued in the Rights Issue) is as follows:

Number	Class
37,404,994	Ordinary shares

The Company has no unlisted securities on issue.

8. The Company currently has no dividend policy. However, pursuant to the Constitution of the Company, the Directors may from time to time declare a dividend to be paid to the members entitled to the dividend. No dividend may be paid except out of profits.
9. No shareholder approval for the Rights Issue is required.
10. The Rights Issue is **renounceable**.
11. The new shares in the Rights Issue will be offered on the basis of 8 new shares for every 1 share held on 5pm Perth time (Western Australian Standard Time) on the record date of 8 December 2011.
12. The offer under the Rights Issue relates to fully paid ordinary shares in the Company.
13. The "**ex date**" is 2 December 2011.
14. The **record date** to determine entitlements is 8 December 2011.
15. The Company does not have multiple share registers.
16. Fractional entitlements will be rounded up to the nearest whole number.
17. The Company will not be sending an offer under the Rights Issue to any security holders outside of Australia and New Zealand.

In compliance with Listing Rule 7.7.1 of the ASX Listing Rules, the Company has decided that it is unreasonable to make the offer to security holders outside of Australia and New Zealand having regard to each of the following:

- the number of security holders outside of Australia and New Zealand;
- the number and value of the securities which would be offered to security holders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Company will send to each of the security holders outside of Australia and New Zealand details of the offer and advise them that the Company will not be making the offer to them.

18. The closing date for receipt of acceptances is 5pm Perth time (Western Australian Standard Time) 28 December 2011.
19. The Rights Issue is fully underwritten by Cunningham Peterson Sharbanee Securities Pty Limited.
20. The Company will pay Cunningham Peterson Sharbanee Securities Pty Limited an underwriting commission equal to 6.6% of the aggregate funds raised under the Rights Issue.

21. Brokers will receive no handling fee for acceptances lodged by them on behalf of security holders.
22. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on 12 December 2011.
23. The latest date for despatch of certificates or entry of the securities into your security holdings is 6 January 2012.

The above information was provided to the ASX on 30 November 2011.

If you have any queries regarding your entitlement or participation in the Rights Issue, please do not hesitate to contact the Company's Share Registry on 08 9389 8033.

Yours faithfully

David Zukerman