

PRIME MINERALS LIMITED
ABN 61 120 658 497

HALF YEAR FINANCIAL REPORT

FOR HALF YEAR ENDED

31 DECEMBER 2013

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CORPORATE DIRECTORY

DIRECTORS

Michael Scivolo (Non-Executive Chairman)
Robert John Collins (Non-Executive Director)
Hersh Solomon Majteles (Non-Executive Director)

COMPANY SECRETARY

Norman Grafton

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AUDITORS

HLB Mann Judd
Level 4
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AUSTRALIAN SECURITIES EXCHANGE

Prime Minerals Limited shares (PIM) 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 through Bank of New York.

DIRECTORS' REPORT

Your Directors submit the financial report of the Consolidated Entity for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

Michael Scivolo– Non-Executive Chairman
Robert John Collins – Non-Executive Director
Hersh Solomon Majteles – Non-Executive Director



REVIEW OF OPERATIONS

The net loss for the half year attributable to members of Prime Minerals Limited was $303,376 (31 December 2012: loss of $254,622).

Lake Mason Uranium Project, Western Australia

Prime holds 100% of exploration licence (E 57/785) located central to the Lake Mason palaeo-drainage in the Southern Cross region of Western Australia.

Calcrete-hosted carnotite mineralisation is found within the sediments of Lake Mason and its surrounds. This style of uranium mineralisation is similar to that at Mega Uranium's Lake Maitland project and Cameco's Yeelirrie project.

In light of current poor market conditions, no field work was conducted during the reporting period. Gypsiferous dunes in the northwest of the tenement contain several low-grade anomalies, but there are no obvious shallow-level drill targets present. The Company is continuing to monitor competitors' projects and is assessing other cost-effective means to explore the licence to greater depth.

Project Generation

The Directors continue to pursue new opportunities for the Company. Several projects have been reviewed recently though none have met the criteria required by the Company.

The Company is in an excellent position with cash and low overheads. With the difficulty many companies are now having in raising funds, we believe that because of our good cash position an increasing number of worthwhile projects will become available in the coming months.

Tenement Schedule

Country	*State/Region*	*Project*	*Tenement ID*	*Area (km^2)*	*Grant date*	*Interest*
Australia	WA	Lake Mason uranium	E 57/785	12.17	16/01/2009	100%

Competent Persons Declaration
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, who is a consultant to Prime Minerals Limited and is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Dr Painter 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter 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.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the half year under review not otherwise disclosed in this report and/or the financial report.

SUBSEQUENT EVENTS

There are no matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half year ended 31 December 2013 is set out on page 4.

Signed in accordance with a resolution of the directors.



_____
Michael Scivolo
Non-Executive Chairman

Perth, 12 March 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Prime Minerals Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
12 March 2014

M R W Ohm
Partner

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Revenue	2	**54,125**	**71,488**
Accounting and audit fees		**(17,029)**	**(16,446)**
Administration expenses		**(86,591)**	**(139,009)**
ASIC/ASX fees		**(8,043)**	**(14,550)**
Depreciation and amortisation		**-**	**(854)**
Directors' fees and benefits expense		**(40,744)**	**(35,871)**
Management fees		**(135,460)**	**(89,805)**
Other expenses		**(69,994)**	**(32,575)**
Loss before income tax expense		**(303,736)**	**(254,622)**
Income tax expense		**-**	**-**
Net loss for the period		**(303,736)**	**(254,622)**
Other comprehensive income:			
Items which may subsequently be reclassified to profit or loss:			
Net change in the fair value of available for sale financial assets		**-**	**15,360**
Reclassification adjustment:			
Impairment of available for sale financial assets		**42,360**	**-**
Total comprehensive loss for the period		**(261,376)**	**(239,262)**
Basic loss per share (cents per share)		**(0.09)**	**(0.08)**

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	**2,762,015**	3,084,063
Trade and other receivables		**28,229**	1,728
Total Current Assets		**2,790,244**	3,085,791
Non-Current Assets			
Other financial assets		**5,015**	13,015
Exploration and evaluation expenditure	4	**37,120**	28,336
Total Non-Current Assets		**42,135**	41,351
TOTAL ASSETS		**2,832,379**	3,127,142
LIABILITIES			
Current Liabilities			
Trade and other payables		**37,969**	71,356
Total Current Liabilities		**37,969**	71,356
Total Liabilities		**37,969**	71,356
Net Assets		**2,794,410**	3,055,786
EQUITY			
Issued capital	5	**5,759,863**	5,759,863
Reserves	6	**-**	862,992
Accumulated losses		**(2,965,453)**	(3,567,069)
Total Equity		**2,794,410**	3,055,786

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2012	5,759,863	(3,079,069)	862,992	3,543,786
Total comprehensive loss for the period	-	(254,622)	15,360	(239,262)
Balance at 31 December 2012	**5,759,863**	**(3,333,691)**	**878,352**	**3,304,524**
Balance at 1 July 2013	5,759,863	(3,567,069)	862,992	3,055,786
Transfer of options	-	905,352	(905,352)	-
Total comprehensive loss for the period	-	(303,736)	42,360	(261,376)
Balance at 31 December 2013	**5,759,863**	**(2,965,453)**	**-**	**2,794,410**

The above statement should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Cash flows from operating activities			
Payments to suppliers and employees		**(345,817)**	(306,711)
Interest received		**32,554**	77,056
Net cash (used in) operating activities		**(313,263)**	(229,655)
Cash flows from investing activities			
Exploration and evaluation expenditure		**(8,785)**	(4,589)
Net cash used in investing activities		**(8,785)**	(4,589)
Cash flows from financing activities			
Net cash provided by financing activities		**-**	-
Net (decrease) / increase in cash and cash equivalents		**(322,048)**	(234,244)
Cash and cash equivalents at beginning of half year		**3,084,063**	3,538,075
Cash and cash equivalents at end of half year	3	**2,762,015**	3,303,831

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Prime Minerals Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

	Consolidated Six Months Ended 31 December 2013 $	Consolidated Six Months Ended 31 December 2012 $
2. REVENUE		
Interest received	**54,125**	71,488
	54,125	71,488

	Consolidated Six Months Ended 31 December 2013 $	Consolidated Year Ended 30 June 2013 $
3. CASH AND CASH EQUIVALENTS		
For the purposes of the statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank	**2,762,015**	3,084,063

(i) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the period.

4. EXPLORATION AND EVALUATION EXPENDITURE

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

Exploration and evaluation phase – at cost	**37,120**	28,336
Movement		
Balance at beginning of the period	**28,336**	25,110
Expenditure incurred	**8,784**	5,766
Exploration written off	**-**	(2,540)
Balance at end of the period	**37,120**	28,336

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

5. ISSUED CAPITAL

	31 December 2013		30 June 2013	
	No.	$	No.	$
Issued Capital				
Ordinary shares - fully paid	337,444,946	5,759,863	337,444,946	5,759,863
Movement in ordinary shares				
Balance at the beginning of the period	337,444,946	5,759,863	337,444,946	5,759,863
	337,444,946	5,759,863	337,444,946	5,759,863

6. RESERVES

	Consolidated Six Months Ended 31 December 2013 $	Consolidated Year Ended 30 June 2013 $
Share-based payments reserve (Note 6a)	-	56,452
Option reserve (Note 6b)	-	848,900
Asset revaluation reserve (Note 6c)	-	(42,360)
	-	862,992

(a) Share-based payments reserve

(i) Nature and purpose of reserve

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

(ii) Movements in reserve

Balance at beginning of period	**56,452**	56,452
Transfer to accumulated losses on expiry	**(56,452)**	-
Balance at end of period	**-**	56,452

(b) Option reserve

(i) Nature and purpose of reserve

The option 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.

(ii) Movements in reserve

Balance at beginning of period	**848,900**	848,900
Transfer to accumulated losses on expiry	**(848,900)**	-
Balance at end of period	**-**	848,900

During the period, no options were issued or exercised.

	Consolidated Six Months Ended 31 December 2013 $	Consolidated Year Ended 30 June 2013 $
6. RESERVES (Continued)		
(c) Asset revaluation reserve		
(i) Nature and purpose of reserve		
The asset revaluation reserve is used to recognise the fair value of financial assets.		
(ii) Movements in reserve		
Balance at beginning of period	**(42,360)**	(13,346)
Reclassification to profit & loss	**42,360**	(29,014)
Balance at end of period	**-**	(42,360)

7. SEGMENT INFORMATION

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Prime Minerals Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

8. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

9. SUBSEQUENT EVENTS

There are no other matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

10. FINANCIAL INSTRUMENTS

The group has investments in listed securities (Level 1) which are measured at fair value at the end of the reporting period. These are valued with reference to the closing market price at balance date.

In relation to other financial assets and liabilities held at balance date, the Directors consider that the carrying value recognised in the consolidated financial statements approximate their fair values.

DIRECTORS' DECLARATION

In the opinion of the directors of Prime Minerals Limited ("the Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half year then ended.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s305(5) of the Corporations Act 2001.



_____
Michael Scivolo
Non-Executive Chairman

Perth, 12 March 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Prime Minerals Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Prime Minerals Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Prime Minerals Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
12 March 2014