



Prairie Mining
Limited

ASX RELEASE | 23 OCTOBER 2014

HIGHLY RESPECTED POLISH INFRASTRUCTURE EXECUTIVE JOINS PRAIRIE

HIGHLIGHTS:

- ***Appointment of Mrs Patrycja Wolińska-Bartkiewicz to the Supervisory Board of Prairie's Polish Subsidiary Company PD Co sp. z o.o***
- ***Mrs Bartkiewicz was previously the Deputy Minister (Undersecretary of State) at Poland's Ministry of Transport, Construction and Maritime Economy, and specialized in co-ordinating EU funding for multi-billion dollar infrastructure projects across Poland***
- ***Mrs Bartkiewicz will be focused on the successful advancement of various aspects of project permitting and infrastructure for the Lublin Coal Project as well as community liason***
- ***Prairie is progressing with its Pre-Feasibility Study which is due for completion in the first half of 2015 and continues to strengthen its technical and financial capabilities to carry the Lublin Coal Project through the development phase***

Prairie Mining Limited ("Prairie" or "Company") is pleased to announce the appointment of Mrs Patrycja Wolińska-Bartkiewicz to the Supervisory Board of Prairie's 100% owned Polish subsidiary company PD Co sp. z o.o. ("PD Co"). Mrs Bartkiewicz joins the company on a full time basis with the title "Infrastructure, Environmental and Project Permitting Consultant" for the Lublin Coal Project and will also lead aspects of PD Co's community engagement activities.

Mrs Bartkiewicz was previously Poland's Deputy Minister (Undersecretary of State) at the Ministry of Transport, Construction and Maritime Economy, and specialised in co-ordinating EU funding for multi-billion dollar infrastructure projects (including rail) across Poland.

Mrs Bartkiewicz holds an MSc degree in Law from the University of Lublin and completed postgraduate studies in European Self-governmental Law at the Polish Academy of Sciences.

She is originally from the Chelm Shire, where the Lublin Coal Project is located, and held senior posts in the regional government including the position of Deputy Director of the Department for Strategy and Regional Development in Lublin Region. She was appointed Undersecretary of State at the Ministry of Transport, Construction and Maritime Economy (known until November 2011 as the Ministry of Infrastructure) in April 2008 and held this position until November 2013. From January 2014 she held the position of Advisor to the Chairman of the Board of Poland's public development bank Gospodarstwa Krajowego.

Mrs Bartkiewicz is well known in the Lublin region and also nationally, and has a wealth of experience in permitting for major infrastructure projects in Poland. Mrs Bartkiewicz will be based between the Warsaw and Lublin offices of PD Co and her role will be focused on the successful advancement of all aspects of project permitting and infrastructure for the Lublin Coal Project.

Commenting on the appointment, Prairie's CEO Mr Ben Stoikovich said *"I am delighted that an individual of the calibre of Mrs Bartkiewicz has joined our team at this crucial stage in our development where project permitting and infrastructure development are key development objectives. Mrs Bartkiewicz brings a wealth of experience and relationships, as well as a strong passion to deliver much needed investment into the Lublin region. I look forward to her contribution as we progress the development of the Lublin Coal Project."*

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Figure 1: Lublin Coal Project Access to Coal Export Markets

ABOUT THE LUBLIN COAL PROJECT

The Lublin Coal Project is a large scale premium thermal and semi-soft coking coal project with a current Coal Resource Estimate of 1.6 billion tonnes ("CRE") across four coal exploration concessions in south eastern Poland. The CRE is based on the review and modelling of historic data over the Company's concessions, including the logs from 200 cored boreholes.

In April 2014 Prairie published the results of a Scoping Study for the Lublin Coal Project which confirmed the potential for a world class high margin metallurgical and premium thermal coal operation (refer ASX announcement 28 April 2014). The Scoping Study assumed annual operating costs at US\$37 per tonne which would place the Project on the lowest position on the global cost curve for coal delivered into Europe.

The Project is located close to well established regional rail and port infrastructure with underutilised bulk cargo capacity for low transportation costs within Poland, to regional European markets by rail, and to the seaborne export market through underutilised ports in the north of Poland.

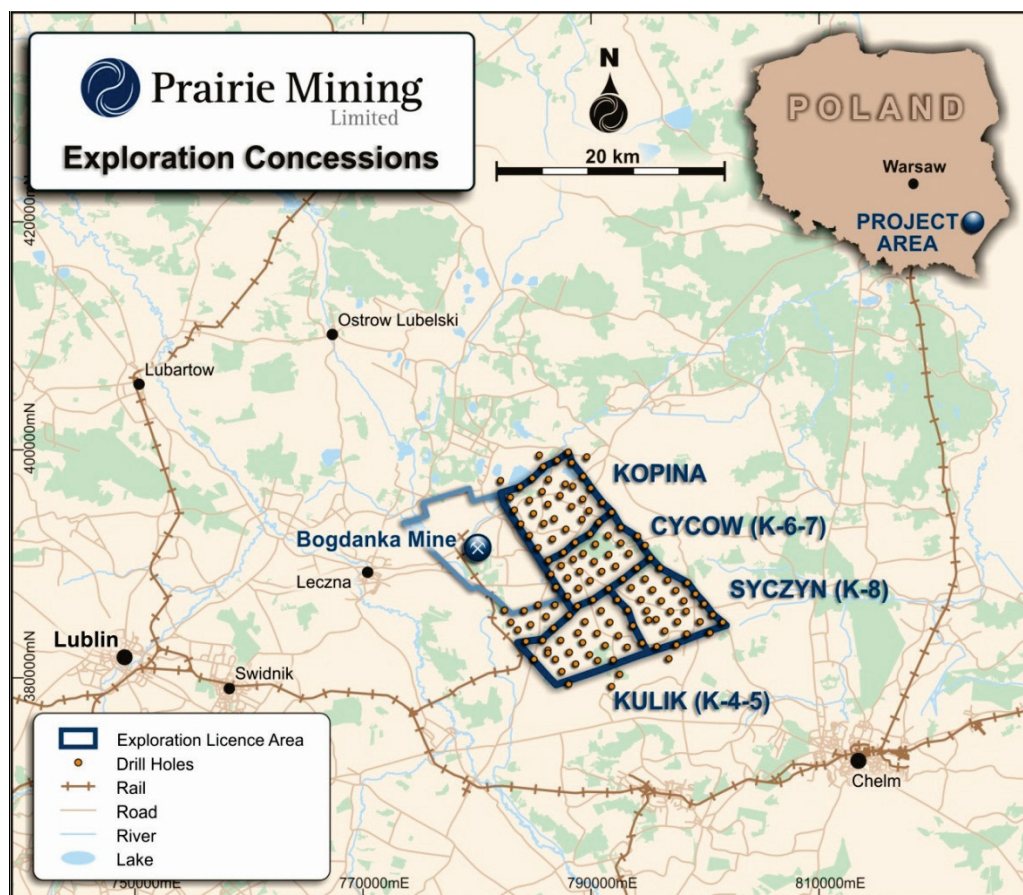


Figure 2: Lublin Coal Project Exploration Concessions

The Project is situated adjacent to the Bogdanka coal mine which has been in commercial production since 1982. Bogdanka has successfully demonstrated that the Lublin Coal Basin has the potential to host a new generation of large scale coal projects. Bogdanka has recently expanded its production levels to over 8 million tonnes per annum of thermal coal and is targeting production of 11.5 million tonnes per annum by 2015. The Lublin basin has ideal geological and mining conditions for high productivity longwall plow operations. As a result of these favourable conditions Bogdanka has achieved world record production rates and is currently the lowest operating cost hard coal mine in Europe

Forward Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on Prairie's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Prairie, which could cause actual results to differ materially from such statements. Prairie makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

Competent Person Statements

The Company advises that the information relating to the Scoping Study referred to in this announcement is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The information in this announcement that relates to Exploration Results, Coal Resources, Production Targets and the Scoping Study was extracted from Prairie's ASX announcements dated 28 April 2014 entitled 'Scoping Study Confirms Potential for World Class High Margin Met and Thermal Coal Project' and 13 March 2014 entitled 'Initial Washability Results Display Exceptionally High Yields' available to view on the company's website at www.pdz.com.au

The information in the original ASX announcements that related to Exploration Results and Coal Resources is based on information compiled or reviewed by Dr Richard Lowman, a Competent Person who is a Fellow of the Geological Society of London. Dr Lowman is employed by independent consultants Wardell Armstrong LLP which owns Wardell Armstrong Limited. Dr Lowman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original ASX announcements that relates to Production Targets and the Scoping Study is based on information compiled or reviewed by Mr Robin Dean who is a Competent Person and is a Member of the Institute of Materials, Minerals and Mining (UK). Mr Dean is employed by independent consultants Wardell Armstrong LLP which owns Wardell Armstrong Limited. Mr Dean has sufficient experience that is relevant to the type of mining operation under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Prairie confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions and technical parameters underpinning the Coal Resource, Production Target, and related forecast financial information derived from the Production Target included in the original ASX announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original ASX announcements.

Lublin Coal Project - Coal Resource Estimate (based on net coal seam thickness)			
Coal Seam	Indicated (Mt)	Inferred (Mt)	Total (Mt)
391	137	177	314
389	20	84	104
Other Seams	-	1,141	1,141
Total – Project Area	157	1,402	1,559

Lublin Coal Project Coal Quality Statistics (Air Dried) of In-situ Indicated Coal Resources (based on gross coal seam thickness)		
Parameter	391 Seam	389 Seam
Ash %	9.37	17.61
Calorific Value GAD kcal/kg:(MJ/kg)	7,004 (29.33)	6,104 (25.56)
Sulphur %	1.27	1.25