



2014

LUBLIN COAL PROJECT HIGHLIGHTS

A new source of premium thermal and metallurgical coal from within the heartland of industrial Europe



ABN 23 008 677 852 | ASX:PDZ



LUBLIN COAL PROJECT SUMMARY

- ✓ Large scale, high quality resource of semi-soft coking and premium thermal coal – JORC Coal Resource Estimate of 1.6 billion tonnes
- ✓ Scoping Study confirmed robust fundamentals and the lowest cash cost position (US\$37/t FOR) on the global cost curve for coal delivered into Europe
- ✓ Existing regional rail and port infrastructure provides access to domestic, European and other export markets
- ✓ Potential for long term supply of 6mtpa of high quality coal into Europe, reducing regional dependence on Russian energy supplies
- ✓ Adjacent to the world-class Bogdanka (WSE:LWB) longwall coal mine with an EV of US\$1.3B



EUROPE'S NEED FOR A NEW SOURCE OF HIGH QUALITY DOMESTIC COAL

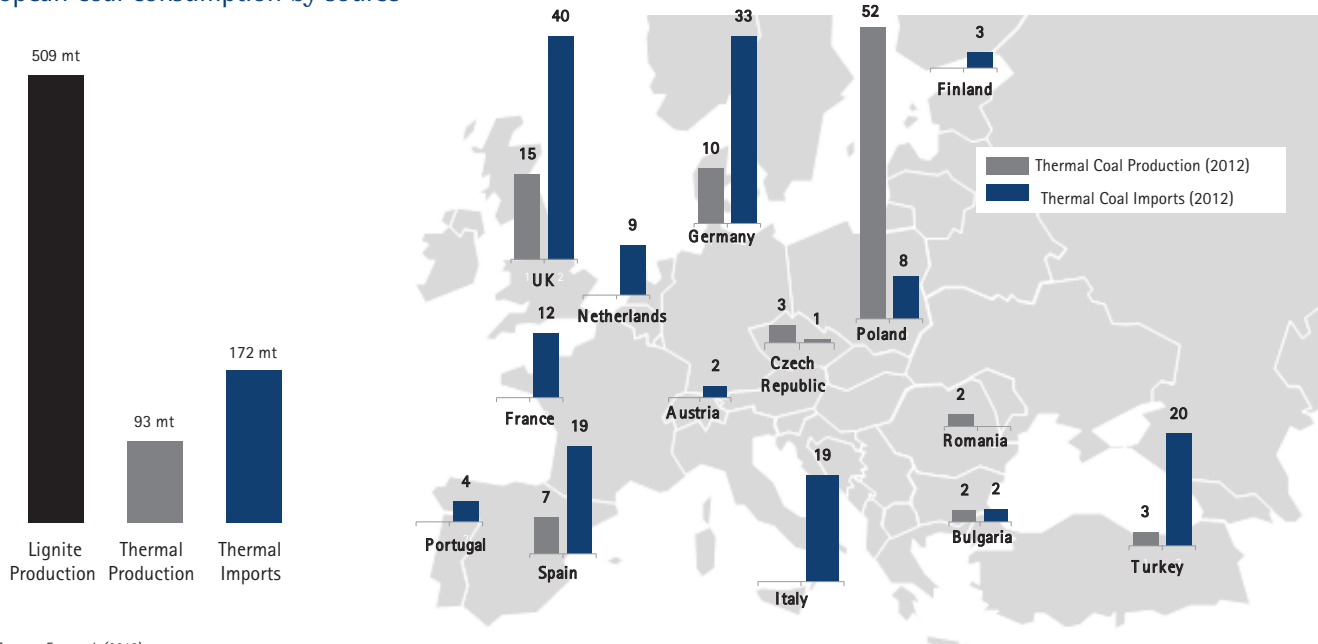
Europe continues to be a large consumer of coal, consuming more than 770 million tonnes of coal for power generation in 2012, of which 265 million tonnes was thermal coal.*

Europe's hard coal production continues to decline as coal resources are depleted from old coal basins in the UK, Germany, Czech Republic and Poland's Silesian Basin.

As a result of falling domestic production, Europe has become increasingly reliant on imports of coal, particularly from Russia (60 million tonnes in 2012), Colombia (57 million tonnes in 2012) and the USA (36 million tonnes in 2012).**

The Lublin Coal Project, located within the heartland of industrial Europe and with access to markets via underutilised rail and ports in Poland, has the potential to provide a stable new source of high quality coal and to operate at a lower cost than any competing imported coal.

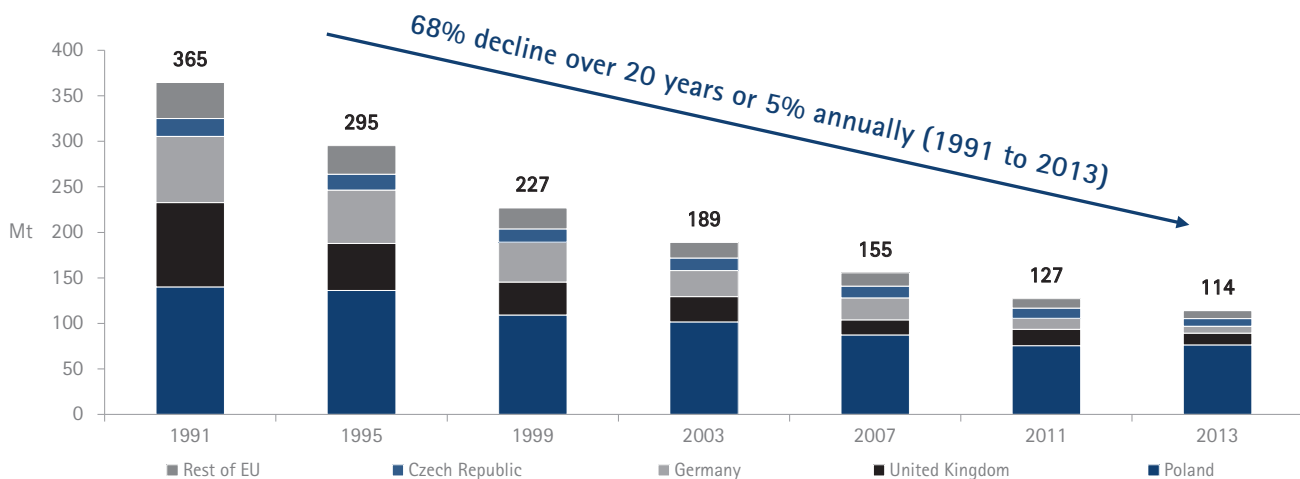
European coal consumption by source



Source: Euracoal (2012)

* Europe is the EU plus Turkey

European domestic hard coal production



Note: Hard Coal includes Thermal and Metallurgical Coal

* Source: Euracoal 2012

** Source: Deutsche Bank May 2013 Report; Euracoal (2012)

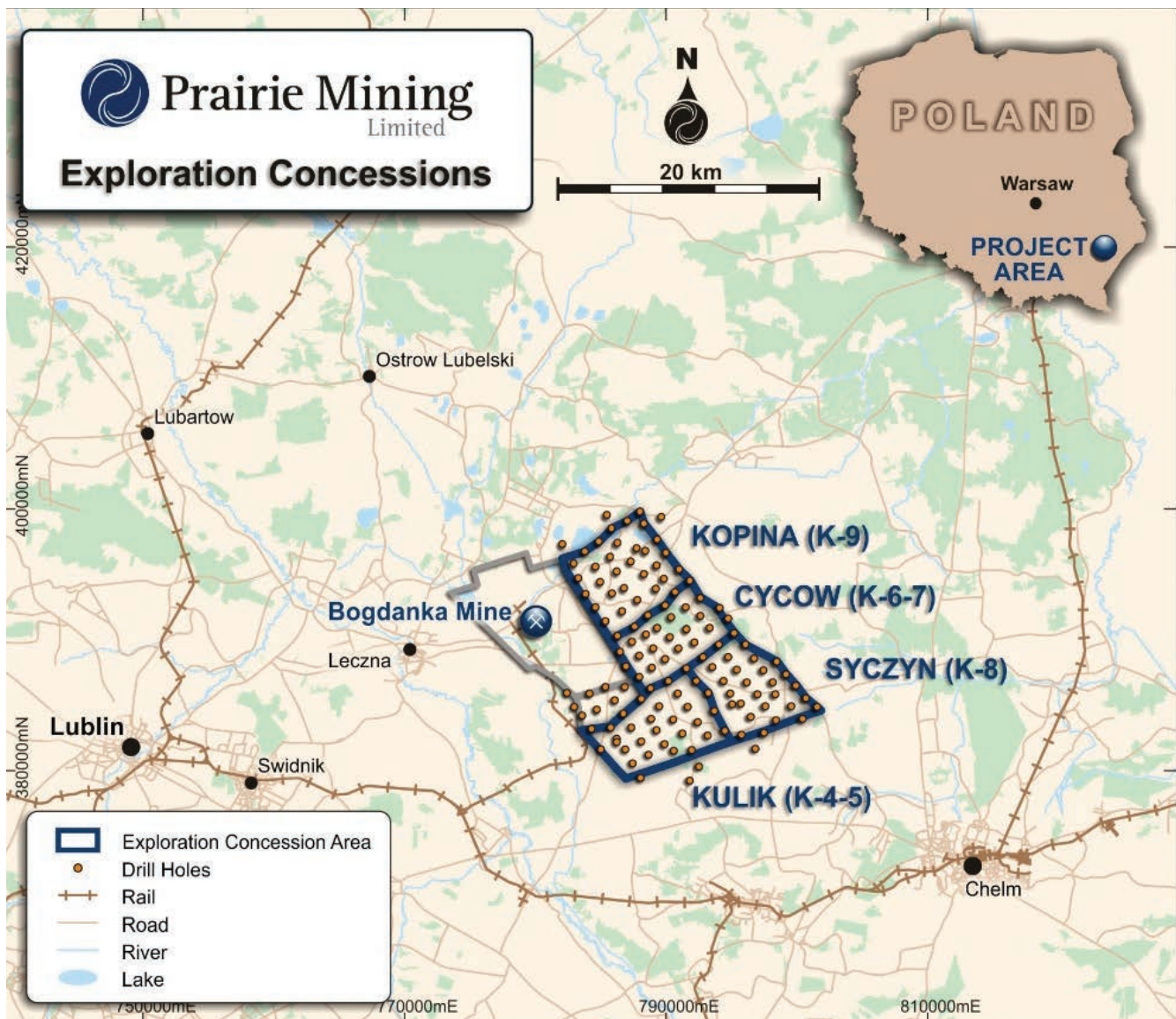
LOCATED IN THE HEARTLAND OF INDUSTRIAL EUROPE

Access 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.



LUBLIN - POTENTIAL FOR A WORLD CLASS COAL BASIN

The Lublin Coal Basin provides a rare example of an unexploited world-class coal basin with the potential for low operating costs



- Huge quantities of undeveloped, high quality coal
- Excellent geology; potential for very low operating costs
- Access to existing infrastructure including:
 - Excellent Rail Connectivity
 - Power
 - Water
- Government and community support for coal mining
- Relatively underexplored basin, with last major exploration campaigns in the 1970's, and only one producing mine
- Currently only one producing mine in the region, Bogdanka, with sales of 8.3 million tonnes of hard coal (2013)
- Bogdanka is currently the lowest operating cost hard coal mine in Europe

POSITIVE SCOPING STUDY RESULTS

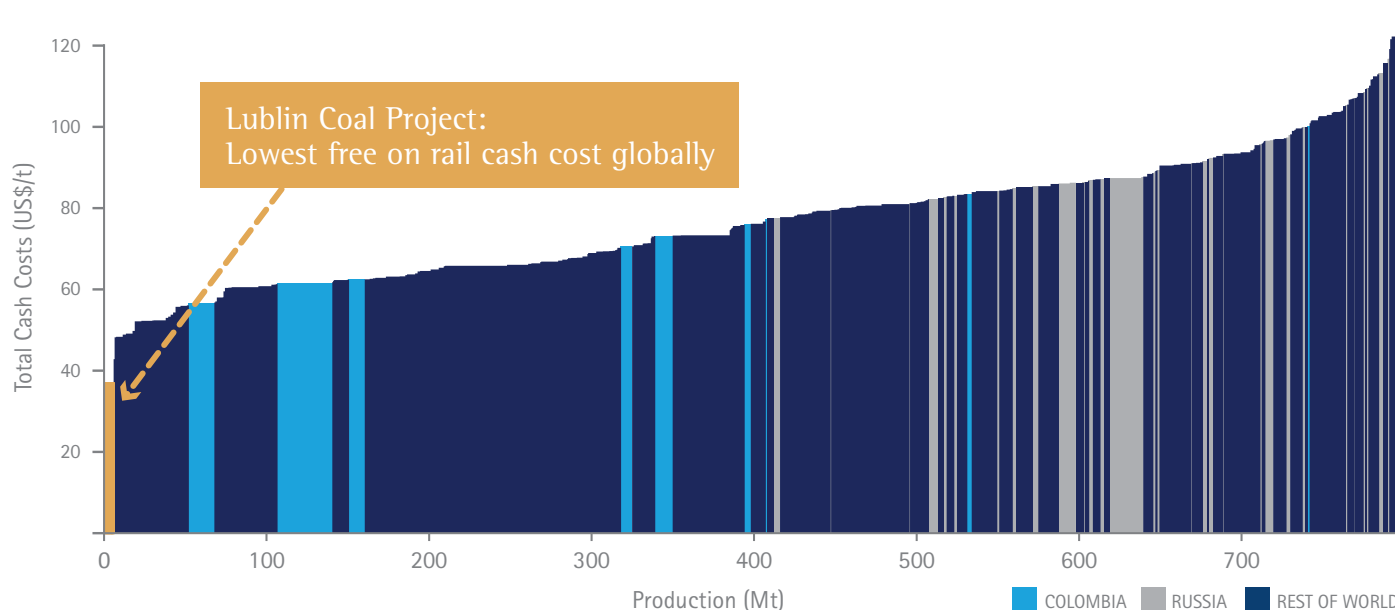
Positive Scoping Study confirms potential for the Lublin Coal Project to be developed as a large scale, long life mine with attractive fundamentals and the ability to produce both semi-soft coking and premium thermal coal

KEY SCOPING STUDY OUTPUTS

Product Mix	50% Semi Soft Coking 50% Premium Thermal
Average operating cash cost	US\$36.80/t
ROM Coal Production (Steady State Average)	7.7 mtpa
Clean Coal Production (Steady State Average)	6.0 mtpa
Initial Mine Life	22 Years
Coal Geology	Highly Productive
Mining Method	Longwall
Coal Handling & Process Plant	Dense Media
Access to Market	Existing Rail & Port Infrastructure

LOWEST GLOBAL CASH OPERATING COSTS

The LCP is projected to have an average operating cash cost of US\$36.80 per tonne FOR and total cash cost including royalty of US\$38.05 per tonne FOR. Coal from the LCP is anticipated to be at the bottom of the global cash cost curve for thermal coal delivered into Europe.



Lublin Coal Project – Potential Position on the Cash Costs Curve (2013 CFR ARA Energy Adjusted)

(Source: Wood Mackenzie – Total Cash Costs plus Freight to ARA, energy adjusted for internationally traded thermal coals delivered into Europe; for the LCP total cash cost is based on unadjusted FOR cost per tonne for targeted premium thermal coal product)

ADVANCING THE LUBLIN COAL PROJECT

Milestones Achieved

✓	Published Results from Coal Quality and Coal Washability Testing	Completed
✓	Commenced ESIA & Project Permitting	Completed
✓	Published Results of Transport Infrastructure Study	Completed
✓	Upgraded JORC Resource Estimate of 1.6 Billion Tonnes	Completed
✓	Completed a Positive Scoping Study for the Lublin Coal Project	Completed
✓	Completed Government Agreed Drilling Campaign (minimum works program)	Completed

Value Catalysts

Results of Thermal Coal Marketing Study	2nd Half 2014
Coal Quality, Washability and Yield Analysis Results from Completed Drilling	2nd Half 2014
Additional Targeted Drilling to Support Pre-Feasibility Study Mine Plan	2nd Half 2014
Submit Geological Documentation to Government	Dec 2014 / Jan 2015
Commence Discussions with Off-Takers	2015
JORC Resource Estimate Upgrade	First Half 2015
Results of Lublin Coal Project Pre-Feasibility Study	First Half 2015
Complete Environmental & Social Impact Assessment	2015
Commence Bankable Feasibility Study	2015

E: info@pdz.com.au
W: www.pdz.com.au

Prairie Mining Limited

Level 9, BGC Centre
28 The Esplanade
PERTH WA 6000
AUSTRALIA
P: +61 8 9322 6322
F: +61 8 9322 6558

London Office

Unit 1C, 38 Jermyn Street
London SW1Y 6DN
United Kingdom
P: +44 207 478 3900
F: +44 207 434 4450

Warsaw Office

PD CO Sp z o.o.
Rondo ONZ 1
Floor 5A
00-124 Warsaw
Poland



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 the Exploration Results, Coal Resources, Production Targets and the Scoping Study was extracted from Prairie's ASX announcements dated 23 September 2014 entitled 'Annual Report to shareholders', 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' which are 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