Prairie Mining Limited

NEWS RELEASE | 1 May 2017

COKING COAL QUALITY RESULTS ESTABLISH JAN KARSKI AS A HIGH VALUE ULTRA-LOW ASH COKING COAL MINE

HIGHLIGHTS

- ***Recent coal quality testwork establishes the potential to produce high value ultra-low ash semi-soft coking coal ("SSCC") at Jan Karski***
- ***Independent analyis by coal market consultants predicts that Jan Karski ultra-low ash SSCC would potentially realise a 10% premium to international benchmark SSCC prices***
- ***Washability results demonstrate the ability to produce ultra-low ash (<3%) semi soft coking coals that are in high demand from global stealmakers due to the considerable commercial advantages of enhanced "value in use" and lower CO_2 emissions***
- ***Coke oven tests demonstrated exceptional results with Coke Strength after Reaction ("CSR") of 51.5, exceeding typical CSR parameters of internationally traded semi soft coking coals***
- ***Preliminary washplant flow sheet redesign anticipates a significantly upgraded product split of 75% ultra-low ash semi-soft coking coal, and is not expected to result in a reduction of overall saleable coal product yields, or material project cost increases***
- ***Preliminary discussions with select European steel makers have confirmed the suitability of ultra low ash, high CSR semi-soft coking coals to be utilised in coke oven blends***
- ***Benchmarking of the Jan Karski ultra-low ash SSCC against semi-soft coking coal currently produced by OKD in the Czech Republic demonstrates the potential of the Jan Karski product to replace these coals in the regional market***

Prairie Mining Limited ("Prairie" or "Company") is pleased to announce the results of enhanced coal quality analysis and test work from a recently completed borehole (Cycow 9) at the Jan Karski Mine ("Jan Karski"). Key results from the expanded coke oven and washability test work indicate the potential to produce a high value ultra-low ash SSCC with a high CSR, with a high 75% product yield. Preliminary analysis by independent consultants indicates that the Jan Karski Ultra-low ash SSCC could achieve a 10% premium to international SSCC benchmark prices, due to several superior qualities.

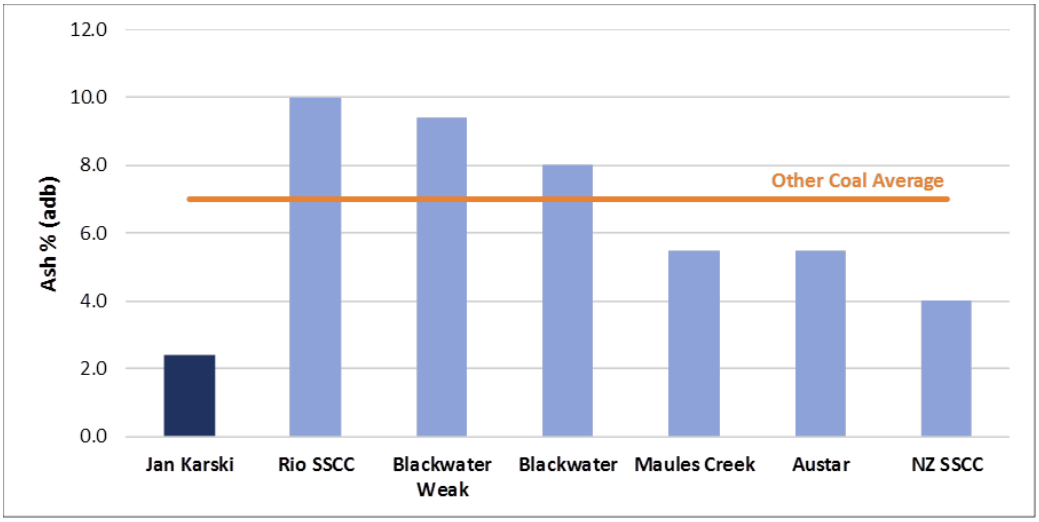

Figure 1: Jan Karski Ultra-low Ash SSCC Benchmarking

Prairie's CEO Ben Stoikovich commented: "*The expanded washability and coking analysis from the recently drilled Cycow 9 borehole has confirmed that a high value Ultra-Low ash SCCC can be produced from Jan Karski, at a product yield of 75%. This transforms Jan Karski into a predominantly coking coal project with superior semi-soft coking qualities that have potential to achieve market pricing of some 10% above the standard international SSCC benchmarks. With the expected closure of coal mines in the Czech Republic that produce SSCC by 2022, there is a growing regional market opportunity for Jan Karski ultra-low ash SSCC coals.*"

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RESULTS FROM RECENT DRILLING AND EXPANDED COAL QUALITY ANALYSIS

Prairie completed drilling the Cycow 9 borehole at Jan Karski in February 2017. Cycow 9 was a large diameter, PQ size borehole and the first of its kind to be drilled at Jan Karski enabling sufficient quantities and sized coal from the 391 seam to be collected to meet the requirements for physical coke testing, specifically confirmation of CSR and extended coal washability test work. The analysis and testwork was conducted at leading fully accredited European laboratories in Poland, Germany and the UK. The CSR test is considered vital in testing for a coal's coking properties important to steelmakers as it is an indicator of the performance / strength of the coke produced from the coal. The full range of standard coking tests were also conducted as shown in table 1 below**:**

Table 1: Analysis results from Cycow 9 borehole – 391 seam

TOTAL MOISTURE	*ar%*	10-12%	**ULTIMATE ANALYSIS**			**COKING PROPERTIES**		
			Carbon	*daf%*	81.90	***FSI***		**5.5**
PROXIMATE ANALYSIS			Hydrogen	*daf%*	5.42	***Gray King Coke***		**G5**
Inherent moisture	*adb%*	3.4	Nitrogen	*daf%*	1.91	***Roga Index***		**69**
Ash	*ar%*	2.6	Sulphur	*ad%*	1.16	***CSR***	*%*	**51.5**
Volatile Matter	*ar%*	33-36	Oxygen	*daf%*	7.10	*CRI*	*%*	39.1
Fixed Carbon	*ad%*	57				*Ash in Coke*	*%*	3.3
			RO(MAX) & MACERAL ANALYSIS			*Sulphur in Coke*	*%*	0.87
ASH CHEMISTRY			Vitrinite	*%*	74.40			
SiO_2	*db%*	33.32	Liptinite	*%*	13.20	*Giesler Plastometer*		
Al_2O_3	*db%*	29.63	Inertinite	*%*	12.40	Initial Softening	*°C*	379
Fe_2O_3	*db%*	20.30	Mineral Matter	*%*	0.00	Max Fluidity temp	*°C*	416
CaO	*db%*	4.49	RoMax	*%*	0.88	Resolidification	*°C*	435
MgO	*db%*	1.73				Max Fluidity	*ddpm*	90
TiO_2	*db%*	0.98	**OTHER COAL PROPERTIES**					
NaO_2	*db%*	0.96	Sulphur	*ar%*	1.09	*ASTM Dilation*		
K_2O	*db%*	1.10	HGI average	*ad%*	44	Softening Temperature	*°C*	370
P_2O_5	*db%*	3.41	Phosphorus	*ad%*	0.034	Max Contraction Temp	*°C*	408
SO_3	*db%*	2.36				Max Dilation Temp	*°C*	433
Other	*db%*	1.72				Max Contraction	*% C*	32
						Max Dilation	*% D*	35

JAN KARSKI COKING COAL KEY QUALITY ADVANTAGES

Ultra-low Ash

Washability analysis from the Cycow 9 borehole and previous boreholes drilled by Prairie across Jan Karski has demonstrated that due to the low inherent ash and excellent washability characteristics of the 391 seam, Jan Karski SSCC coal is unique with typical ash product level of less than 3% (air dried) and far superior to typical ash levels for major coking coal brands (both hard and soft) traded internationally and produced domestically in Europe. Figure 2 shows there is a range of ash specifications for semi-soft coking coals. With an average ash specification of 2.6%, the Jan Karski SSCC is an ultra-low ash product compared to all the comparison coals. Low ash provides a number of technical benefits including improved coke strength and caking properties, and reduced fuel rate in the blast furnace.

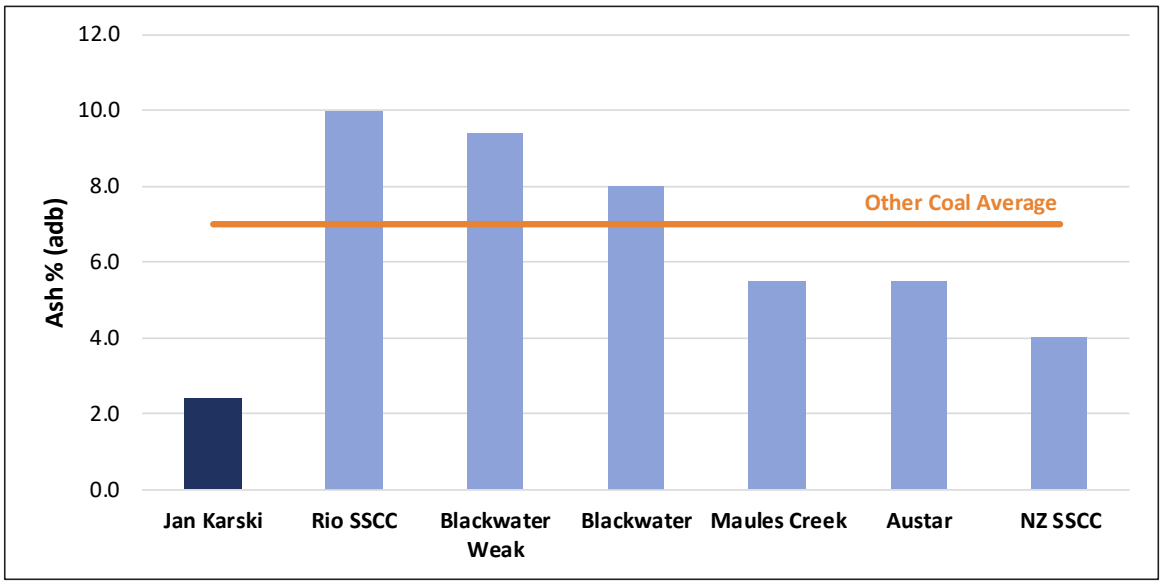

Figure 2: Jan Karski SSCC Ash Benchmarking

The ultra-low ash content increases the coals value-in-use to steel and coke makers, making the product highly saleable in both the domestic European and international markets. One of the key outcomes of utilising ultra-low ash coking coal to produce low ash coke ash is the resulting decreased fuel rate. This has a key environmental benefit for steel makers that results in a reduction in CO_2 emissions per tonne of hot metal produced.

Prairie's analysis predicts increasing global demand for ultra-low ash coking coal for blending with hard coking coal ("HCC"), because of a continuing trend of rising average ash levels in globally traded hard coking coals. Premium hard coking coal resources with low ash are becoming increasingly scarce, forcing consumers to make concessions on HCC ash levels. Ultra-low ash coking coals for blending are becoming increasingly sought after by consumers seeking to "blend-down" the ash levels in their coke blends. This is a particular advantage for European steelmakers where EU regulations focus on reduced CO_2 emissions. This trend has important implications for the future marketability of Jan Karski ultra-low ash SSCC.

Coke Strength After Reaction

Figure 3 shows the measured CSR (51.5) of the 391 seam from Cycow 9 borehole at Jan Karski is at the top end of the range for semi-soft coking coal. A CSR figure of 51.5 shows the coal has the ability to form a coherent coke mass. The Jan Karski coal has a number of features conducive to forming good coke for a semi-soft type coal:

1. the coal is ultra-low ash and low inertinite, meaning the coke has few inertinites to bind;
2. the coal has higher rank for a semi-soft compared to typical Hunter Valley and Maules Creek semi-soft coking coals; and
3. the coal exhibits moderate fluidity and reasonable total dilatation.

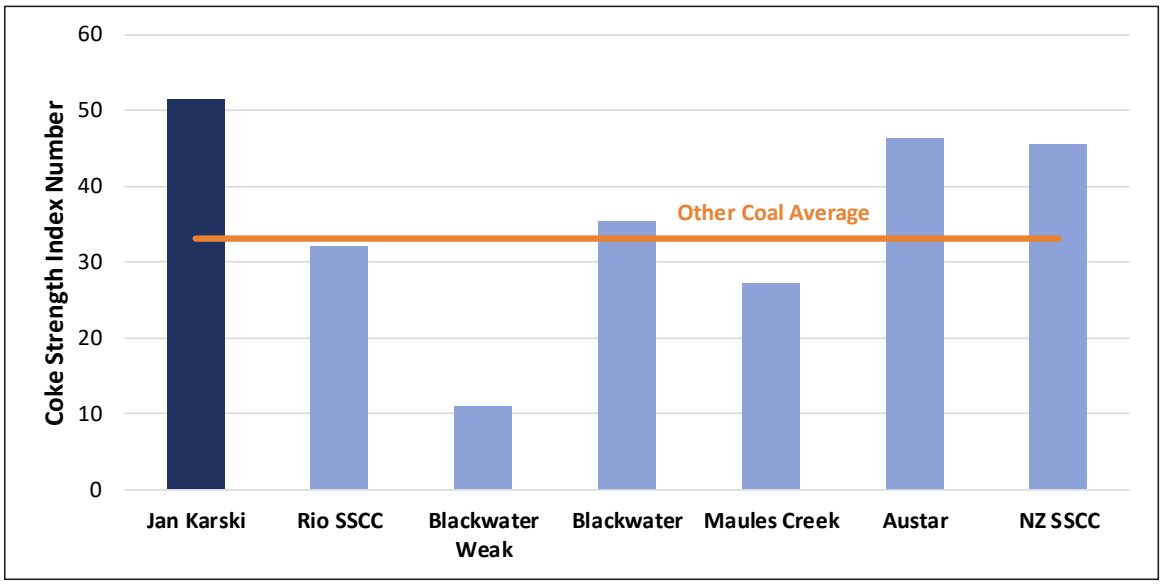

Figure 3: Jan Karski Coke Strength Benchmarking

Further CSR analysis will be undertaken as part of future drilling programs.

Other Positive Attributes

Other Jan Karski ultra-low ash SSCC quality positives are its high vitrinite content, and low phosphorous levels, mid-range FSI (5.5), Gray King Index (G5). The volatile matter is in the range typical for Australian traded SSCCs, with the rank of the Jan Karski coal being slightly higher and closer to a semi-hard coking coal specification.

PRICE BENCHMARKING

Independent coal market specialists CRL Energy Ltd ("CRL") were appointed by Prairie to analyse the potential value of Jan Karski ultra-low ash SSCC in the market. CRL took two approaches to price benchmarking. The first approach applied the method used by the Platts publication of international benchmark coal prices. The second was a proprietary approach adopted by CRL based on value in use assessment incorporating assumptions regarding a typical Western European coking coal blend used by steel makers and proportions of Jan Karski ultra-low ash SSCC included in the blend.

The Platts coal market publication shows a number of penalty/premium factors that can be used to calculate relative value of coking coals against a stated benchmark (Figure 4). The limit of this method is that it assumes all markets would derive the same value from a particular coal; this is not strictly applicable in all cases, since value is also a function of the other coals in the blend, coke versus PCI rate and plant configuration. The "benchmark" coal used in this evaluation is the Rio Tinto Hunter Valley semi-soft, hence this coal is calibrated at 100% of the benchmark. The Platts benchmarking shows the Jan Karski coal specification is valued at 112.7% of the Rio Tinto semi-soft specification. The only comparable coal is the Blackwater coking coal (which is more of a semi-hard type specification) and the NZ SSCC (a low ash semi-soft coking coal).

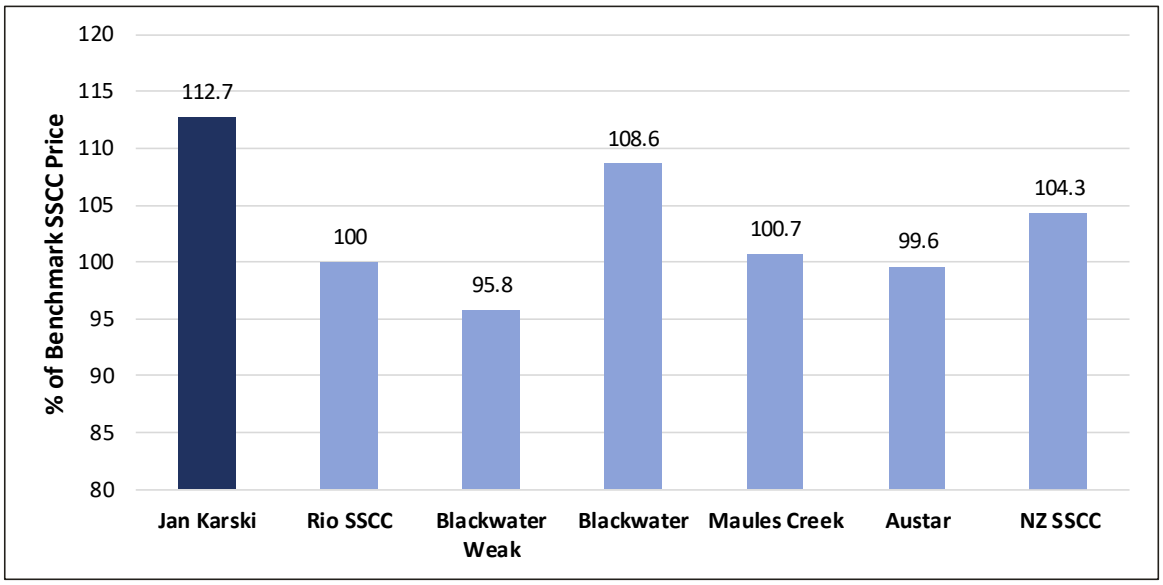

Figure 4 – Platts Price Benchmarking Assessment

Both Platts benchmarking and value in use modelling show Jan Karski is a high value semi-soft, driven substantially by the ultra-low ash. The Platts specification benchmarking suggests Jan Karski should be priced at a 10% premium above the benchmark Rio Tinto Hunter Valley semi-soft coal.

WASHPLANT DESIGN UPDATE AND COKING COAL YIELD

Dargo Associates, specialist coal handling and preparation consultants were appointed to re-evaluate the potential yields of ultra-low ash coking coal from the Jan Karski mine, and develop a conceptual washplant flow sheet. To evaluate the yield of ultra-low ash coal, the washability tests were extended to give more information on separation in the lower density ranges. Separating at low density increases the quantities of near density material and the extended washability test work was used to identify the most efficient wash plant process. The washability results of from the recently drilled Cycow 9 borehole were consistent with the results from washability analysis conducted for all of the eight boreholes Prairie has drilled across Jan Karski, demonstrating exceptionally high yields of ultra-low ash (<3%) product coal at RD1.35 float.

Because the Prairie coal will be washed at a lower density to achieve the ultra-low ash product, higher ash coal will report to the residual thermal coal which is washed at a higher density, and typically sold into the steam coal market.

Preliminary analysis has shown that the production of ultra-low ash SSCC (<3%) results in an overall yield of saleable coal of 82%, which is similar overall yield as indicated in the original Jan Karski Pre-Feasibility Study ("PFS") published in March 2016. Overall mine yields are hardly impacted by the ultra-low ash beneficiation as any coal lost due to the lowering of ash on the ultra-low ash SSCC product reports to the thermal product.

The predicted ratio of ultra-low ash SSCC to thermal coal is 75% coking coal to 25% thermal coal. The thermal coal product is anticipated to have 13% ash, and will be in line with typical API2 specification export quality thermal coal. Should Prairie decide to sell a typically higher ash Polish domestic thermal coal of up to 25% ash, the overall yield will increase further.

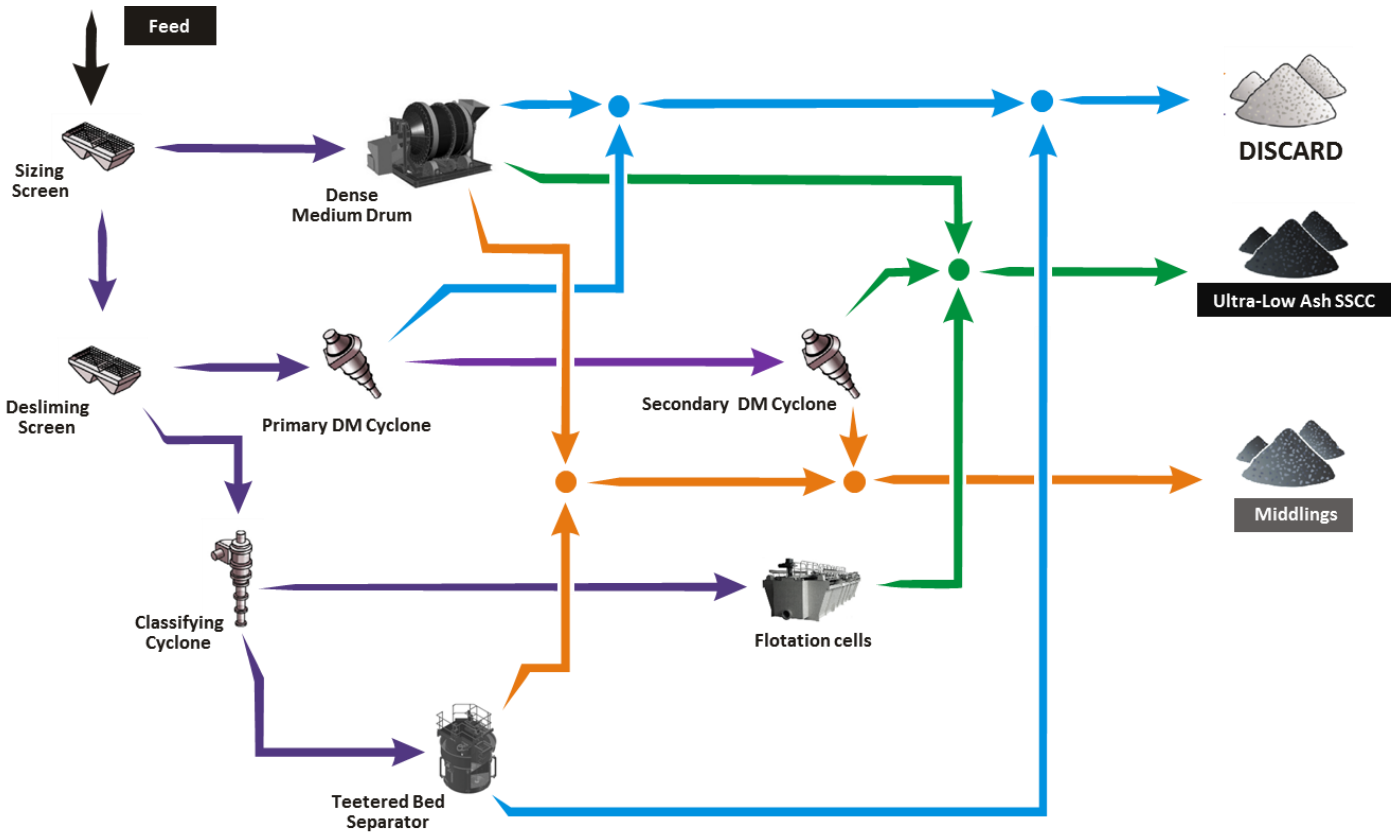

Figure 5 – Preliminary Wash Plant flowsheet to produce Jan Karski ultra-low ash SSCC

COMPARISON TO SEMI SOFT COKING COALS PRODUCED IN THE CZECH REPUBLIC

Semi soft coking coal is produced in the Czech Republic by mining company OKD, formerly New World Resources. The two mines at OKD that produce semi-soft coking coal are Karvina CSA and Darkov mines. According to Prairie's estimates these two mines combined currently produce approximately 1.8mtpa of semi-soft coking coal. In recent press reports indications are that these mines will cease production by 2022.

Jan Karski Ultra-low ash SSCC coal quality parameters compare favourably with the coals produced at Karvina CSA and Darkov mines, with a summary comparison of coal qualities indicated in table 2. These types of coals find wide acceptance in European coke ovens and particularly in stamp charging coke batteries that are widely used in Poland and Central Europe.

Table 2: Jan Karski Ultra-low Ash SSCC compared to OKD Czech mines			
Parameter	**Jan Karski Ultra-low ash SSCC**	**Darkov**	**Karvina CSA**
Rank (Ro)	**0.88**	1.15	1.00
VM %	**33-36**	27	28
Ash %	**2.6**	8.0	8.0
FSI	**5.5**	4.5	5
Vitrinite %	**74**	43	42
Dilatation	**35**	25	25
Fluidity	**90**	300	500
Phos %	**0.035**	0.01	0.25
CSR	**51.5**	45-48	45-50
Coal Type	**HV SSCC**	MV SSCC	MV SSCC

FORWARD WORK PROGRAM

Prairie is planning additional drilling program at Jan Karski to conduct more detailed coking coal analysis and develop a comprehensive marketing strategy around the Jan Karksi high value low ash SSCC. The works program will aim at:

- Performing a more detailed evaluation of the coke products;
- Further developing a technical marketing strategy by ongoing identification and evaluation of potential customers; and
- Performing a comprehensive blending evaluation of the resource for specific customers.

BACKGROUND ON JAN KARSKI

In March 2016, Prairie announced the results of a PFS for the Jan Karski Mine confirming the technical viability and robust economics of the Project and highlighting its potential to become one of the lowest cost, large scale strategic coal suppliers to be developed in Europe.

The Study utilised an updated Coal Resource Estimate ("**CRE**") for the Project which comprises a Global CRE of 728Mt including an Indicated Resource of 181Mt from two coal seams, the 391 and 389 seams. The PFS incorporated a mine plan based on an initial Marketable Ore Reserve Estimate generated from the indicated resources within the 391 and 389 seams.

Table 3: Jan Karski Mine Resource JORC Coal Resource and Reserve Estimate - 389 & 391 Seams

Coal Seam	Indicated Coal Resource In-Situ (Mt)
389	17
391	164
Total	**181**
Probable Recoverable Coal Reserves (Mt)	**170**
Probable Marketable Coal Product (Mt)	**139**

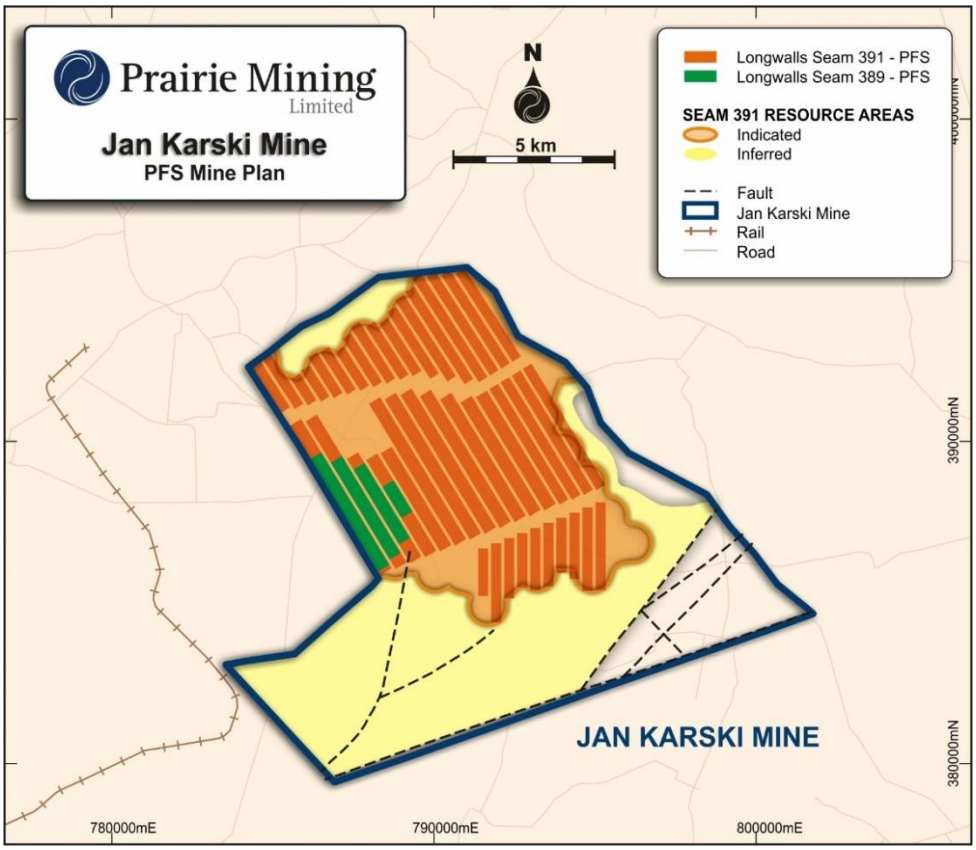

Figure 6: Seam 389 & 391 Resource Areas

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 information in this announcement that relates to Exploration Results is based on, and fairly represents information compiled or reviewed by Mr Jonathan O'Dell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Dell is a part time consultant of the Company. Mr O'Dell has sufficient experience that 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'. Mr O'Dell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to the Coal Resources and Coal Reserves was extracted from Prairie's announcement dated 8 March 2016 entitled "Pre-feasibility Study Confirms LCP As One of The Lowest Cost Global Coal Suppliers Into Europe" which is available to view on the Company's website at www.pdz.com.au.

The information in the original announcement that relates to Exploration Results and Coal Resources is based on, and fairly represents, information compiled or reviewed by, Mr Samuel Moorhouse, a Competent Person who is a Chartered Geologist and is employed by independent consultants Royal HaskoningDHV UK Limited. Mr Moorhouse has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 announcements; b) all material assumptions and technical parameters underpinning the Coal Resource and Coal Reserve included in the original 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 presentation have not been materially modified from the original announcements.

JORC Code, 2012 Edition – Table 1 report

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Coal cores were taken from continuous cores in the Carboniferous sections of the boreholes. • Assessment of coal quality and type is based on the results of laboratory tests of the coal samples taken from the borehole cores. • All seams equal to, or thicker than 0.60 m were analysed. • Dirt (rock) partings in-seam less than 0.05 m were included in the coal sample and analysed with the coal. • Dirt partings equal to, or thicker than 0.05 m were analysed separately. • Average core yield was 99.9%. Core yields for both target seams, 389 and 391 were 100%.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The borehole was drilled open hole to 21 m below the base of the Jurassic, approximately 695 m, and cased. Continuous coring was used in the in the coal measure strata below. Core diameter was 85 mm (PQ).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• During the drilling of the borehole coal samples were collected from the drill core using methods that were standard for the coal industry in Poland (according to GWP and international standard ISO 14180:1998(E) – Solid mineral fuels – Guidance on the sampling of coal seams) • Core recovery was determined for the coal samples by measuring the lengths of recovered core and weighing broken/fragmentary core and calculating length to provide an overall recovery length and percentage as compared to the drilling depths. Final checks are provided by comparison with thicknesses determined from the suite of geophysical logs. • Core recoveries were recorded for each core run and for individual seams. • There is no known relationship between recovery and quality. • All cores were photographed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• The cores have been logged and analysed in sufficient detail to support the this announcement. Cores were analysed by Centralne Laboratorium Pomiarowo- – Badawcze Sp. z o.o. laboratories certified to Polish national standards and at AHK, Knight Energy Services Ltd. Certified to international standards. The results are considered fit for purpose. • Detailed borehole records are presented in the

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	"Borehole Documentation" which contains the written description, graphic log (borehole card) and details of analyses and interpretations, including the final accepted seam thicknesses. • The Carboniferous section was fully cored and logged throughout.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Cores were not split but sampled as whole core as is standard practice with coal core. Detailed core recovery measurements were made allowing assessment of the representative nature of the core analysed. Cores were wrapped in plastic to prevent moisture loss prior to analysis.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory procedures were to the standard industry practices. • Geophysical logs used in the boreholes include natural gamma, density (gamma gamma), acoustic scanner, dual laterolog and caliper logs. These are of sufficient quality to be used for quantitative (i.e. seam thickness) determinations. • The laboratories used are accredited to national and international standards and have adequate quality control practices including analysis of standards and participation in "round robin" exercises.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geological supervision over all drilling works was performed by geological staff contracted to PDCo who are qualified and licensed according to Polish Geological and Mining Law • These geological staff also performed detailed core logging. • Twinned boreholes were not used. • Primary data is held as hard copy (laboratory certificates etc.) and this has been transferred to electronic spreadsheets. • No adjustments have been made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The borehole location has been accurately determined and surveyed in the Poland CS2000, zone 8 grid system. • Detailed topographic maps are available.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation*	• This announcement of exploration results relates to a single borehole, Cycow 9. • Sample compositing has not been used.

Criteria	JORC Code explanation	Commentary
	procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The borehole was nominally vertical and the coal seams have low to moderate dip and relatively simple structure and so there is no structural or orientation bias to the sampling. • The borehole has been surveyed for verticality with maximum deviation of approximately 22 m at a depth of 985 m.
Sample security	• *The measures taken to ensure sample security.*	• All core samples were handled by staff contracted to PDCo under supervision of a licenced geologist. Core samples were marked for way up orientation placed in plastic in fully labelled wooden core boxes. These staff also undertook core sampling and in the case of the target seams this was supervised by consultants contracted to Prairie Mining.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data and techniques have been reviewed by the Competent Person and are considered adequate and appropriate.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Prairie has held the exploration licences to five Exploration concession areas that constitute the Jan Karski Mine: Cycow (K-6-7; No. 23/2012/p, updated 2013), Syczyn (K-8; No.21/2012/p), Kulik (K-4-5; No.20/2012/p), Kopina (K-9; No.22/2012p) and Sawin-Zachód (No35/2014p). • On 1 July 2015, Prairie announced that it had secured the Exclusive Right to apply for, and consequently be granted, a mining concession for the Jan Karski Mine. • As a result of its geological documentation for the Jan Karski Mine deposit being approved, Prairie is now the only entity that can lodge a mining concession application over the Jan Karski Mine within a three (3) year period. • The approved geological documentation covers an area comprising all four of the original exploration concessions granted to Prairie (K-4-5, K-6-7, K-8 and K-9) and includes the full extent of the targeted resources within the mine plan for the Jan Karski Mine. Prairie's geological documentation did not include the Sawin-Zachód concession which may be added at a later date.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is a Carboniferous hard coal consisting of coal seams separated by units of mudstone and sandstone.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	• X: 5683824.01 Y: 8438762.15 (Polish CS2000 zone 8) • H: 179.84 m a.s.l • Nominally vertical, deviation approximately 22 m at

Criteria	JORC Code explanation	Commentary
	○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	317° at base of hole. • Hole length/depth – 986.30 m (drilling)
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Coal seams have normally been sampled as one continuous sample. Dirt partings of 5 cm in thickness or less have been sampled with the coal.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The boreholes are nominally vertical and the coal seams form part of a stratiform deposit dipping at approximately 0 – 5 degrees. • Intercept lengths used in the model are drill intercept lengths which will be modelled in 3D removing the need to calculate the true thickness. Because of the very low dip the difference between intercept thickness and true thickness is not significant.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling*	• Prairie Mining may drill further boreholes if deemed appropriate.

Criteria	JORC Code explanation	Commentary
	areas, provided this information is not commercially sensitive.	