



NEWS RELEASE | 28 DECEMBER 2018

REPORT ON PAYMENTS TO GOVERNMENTS

Prairie Mining Limited ("Prairie" or "Company") and its controlled entities ("Group") provides information in accordance with London Stock Exchange Listing Rule DTR 4.3A in respect of payments made by the Company to governments for the year ended 30 June 2018 and in compliance with The Reports on Payments to Governments Regulations and its amendment in 2015.

The following schedule details payments made to Polish government entities by its wholly owned Polish subsidiaries PD Co sp. z o.o. ("PD Co") and Karbonia S.A. ("Karbonia"). Further, due to the operational focus of the Group during the year ended 30 June 2018, the Polish government is the only relevant party to whom payments are made.

Reporting Category	Total Payments 30 June 2018		
	PD Co:	Karbonia:	Total
	Jan Karski Mine A\$	Debiensko Mine A\$	
Production entitlements	-	-	-
Income Taxes	-	-	-
Royalties	-	-	-
Dividends	-	-	-
Signature/discovery/production bonuses	-	-	-
Licence fees (including mining usufruct payments)	282,422	204,415	486,837
Property taxes to local municipalities	-	267,504	267,504
Infrastructure improvements	-	-	-
Total	282,422	471,919	754,341

This report is also available to download at www.pdz.com.au.

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DEBIENSKO MINE (*Hard Coking Coal*)

The Debiensko Mine (“Debiensko”), is a permitted, hard coking coal project located in the Upper Silesian Coal Basin in the south west of the Republic of Poland. It is approximately 40 km from the city of Katowice and 40 km from the Czech Republic.

Debiensko is bordered by the Knurów-Szczygłowice Mine in the north west and the Budryk Mine in the north east, both owned and operated by Jastrzębska Spółka Węglowa SA (“JSW”), Europe’s leading producer of hard coking coal.

The Debiensko mine was originally operated by various Polish mining companies until 2000 when mining operations were terminated due to a major government led restructuring of the coal sector caused by a downturn in global coal prices. In early 2006 New World Resources Plc (“NWR”) acquired Debiensko and commenced planning for Debiensko to comply with Polish mining standards, with the aim of accessing and mining hard coking coal seams. In 2008, the Minister of Environment of Poland (“MoE”) granted a 50-year mine license for Debiensko.

In October 2016, Prairie acquired Debiensko with a view that a revised development approach would potentially allow for the early mining of profitable premium hard coking coal seams, whilst minimising upfront capital costs. Prairie has proven expertise in defining commercially robust projects and applying international standards in Poland. The fact that Debiensko is a former operating mine and its proximity to two neighbouring coking coal producers in the same geological setting, reaffirms the significant potential to successfully bring Debiensko back into operation.

JAN KARSKI MINE (*Semi-Soft Coking Coal*)

The Jan Karski Mine (“Jan Karski”) is a large scale semi-soft coking coal (“SSCC”) project located in the Lublin Coal Basin in south east Poland. The Lublin Coal Basin is an established coal producing province which is well serviced by modern and highly efficient infrastructure, offering the potential for low capital intensity mine development. Jan Karski is situated adjacent to the Lubelski Węgiel Bogdanka (“Bogdanka”) coal mine which has been in commercial production since 1982 and is the lowest cost hard coal producer in Europe.

Prairie’s use of modern exploration techniques continues to transform Jan Karski with latest drill results re-affirming the capability of the the project to produce high value ultra-low ash SSCC, known as Type 34 coal in Poland whilst confirming Jan Karski as a globally significant SSCC / Type 34 coking coal deposit with the potential to produce a high value ultra-low ash SSCC with a coking coal product split of up to 75%.