



NEWS RELEASE | 26 February 2019

Update Statement Regarding Possible Co-Operation between Prairie Mining and JSW

Prairie Mining Limited ("Prairie") and Jastrzębska Spółka Węglowa SA ("JSW") have signed an extension to the Non-Disclosure Agreement ("NDA") originally announced on 28 March 2018, extending the term of the NDA for an additional 6 months with the term of the NDA ending on 28 September 2019, for the purposes of continuing discussions.

JSW has confirmed that it has now completed its initial Due Diligence process on Prairie and Prairie's assets. As previously confirmed, JSW's Due Diligence at the Jan Karski project has confirmed that part of the "Lublin" deposit contains semi-soft coking coal (type 34), which can be potentially utilised by JSW. JSW's Due Diligence has also indicated the technical feasibility and potential synergies of accessing initial seams at the Dębieńsko deposit utilising the existing infrastructure at JSW's adjacent Knurów-Szczygłowie mine. Exploiting those synergies would require modifications to project configuration and obtaining relevant approvals, including concession modifications. JSW estimates that access via the Szczygłowie mine potentially enables the production of hard coking coal (type 35) from Dębieńsko in up to 18 months from the time that relevant administrative permits and concession amendments are granted.

Whilst both parties need more time to discuss a deal structure and commercial terms, it is the intention of both parties to continue negotiations over the coming months, with areas to be covered including:

- 1) Potential deal structure and commercial terms for any co-operation or transaction;
- 2) Adaption of mine plans for both Debiensko and Jan Karski to align with JSW's development concepts and maximise potential synergies.

There can be no certainty as to whether any transaction(s) or co-operation will be agreed, or the potential form of such transaction(s) or co-operation.

It is emphasised that any potential transaction(s), should they occur, may be subject to a number of conditions including, but not limited to, obtaining necessary corporate approvals, consents and approvals related to funding, consents from Poland's Office of Competition and Consumer Protection (UOKiK) if required, and any other requirements that may relate to the strategy, objectives and regulatory regimes applicable to the respective issuers.

For the avoidance of doubt, this announcement is without prejudice to Prairie's service of a notice of an investment dispute to the Republic of Poland. Prairie will continue to enforce its rights under all applicable domestic and international laws.

Prairie will continue to comply with its disclosure obligations with the relevant markets, as required.

For further information, please contact:

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