



Prairie Mining
Limited

ASX RELEASE | 9 DECEMBER 2014

PRAIRIE RECEIVES STRONG COMMUNITY SUPPORT AT REGIONAL PRESS CONFERENCE IN LUBLIN

HIGHLIGHTS

- *Prairie's new mine at its 100% owned Lublin Coal Project in South Eastern Poland will be named the "Jan Karski Mine"*
- *The new name honours Jan Karski, a Polish war hero, diplomat, and academic who is highly recognized and respected in the Lublin region*
- *Regional press conference to announce the new name was attended by numerous distinguished Polish and Australian guests including the Marshal of the Lublin Province, the President of Lublin, and the Australian Ambassador to Poland*
- *Having now completed its agreed exploration work program, Prairie is rapidly advancing with project permitting including submission of Geological Documentation before the end of 2014 and preparation to apply for a Mining Concession during 2015*

Prairie Mining Limited ("**Prairie**" or "**Company**") is pleased to announce that the coal mine to be constructed at its 100% owned Lublin Coal Project in South Eastern Poland will be named the "Jan Karski Mine". The mine will be named in honour of Polish World War II resistance movement hero, diplomat, and academic, Mr Jan Karski, whose memory is deeply honoured and respected in the Lublin region.

The naming of Prairie's new mine was announced at a press conference held on the 2nd of December 2014 at the Royal Castle in Lublin attended by senior Polish and Australian officials, community leaders, local and national press, and received wide coverage in local and national press publications and television.

In his speech, the Marshal of the Lublin Province Mr Slawomir Sosnowski, who governs the region, said: 'I would like to ensure that the Provincial Government and Local-Government will make every effort to facilitate Prairie's investment and development in accordance with their plans and schedules. The Lublin region is in dire need of new jobs. It is my hope that this investment will fulfil our expectations in this matter to a great extent. Our province pays the highest energy bills among all provinces in Poland. I hope we can solve this problem in the future. This is why today we all realize the importance of this investment.'



Mr Slawomir Sosnowski, Marshal of Lublin Province



Mrs Jean Dunn, Australian Ambassador to Poland

In her speech Mrs Jean Dunn, Australian Ambassador to Poland gave her strong support for the Lublin Coal Project and noted that Prairie sets the model of cooperation between Poland and Australia.

The conference was attended by Polish and Australian senior officials, community leaders, company management and directors of Prairie's board, including:

- Mrs Jean Dunn, Australian Ambassador to Poland;
- Mr Steve Rank, Head of Austrade in Poland
- Mr Slawomir Sosnowski, Marshal of Lublin Province;
- Mr Krzysztof Żuk, President of Lublin;
- Mrs Patrycja Wolinska- Bartkiewicz, former Deputy Minister of Infrastructure in Poland and a current Member of the Supervisory Board of Prairie's Polish subsidiary company PD Co sp. z o.o. ("PD Co");
- Mr Janusz Jakimowicz, Chairmen of Board of PD Co; and
- Mr Taso Arima, Executive Director, Prairie Mining Limited.

Mr Jan Karski (1914 –2000) was a Polish World War II resistance movement fighter. In 1942 and 1943 Karski reported to the Polish Government in exile and the Western Allies on the situation in German-occupied Poland. In 1954, Mr Karski became a naturalized citizen of the United States of America. He taught at Georgetown University for 40 years in the areas of East European affairs and international affairs. Among his students was former US President Mr Bill Clinton (Class of 1968). In 1985 Mr Karski published the academic study "The Great Powers and Poland" based on research on a Fulbright fellowship in 1974 to his native Poland. Mr Karski was nominated for the Nobel Prize and formally recognized by the United Nations General Assembly shortly before his death in 2000.

Project Permitting

Under the Polish Geological and Mining Law (2011) ("GML"), a clear pathway exists to progress from an Exploration Concession to a Mining Concession. Prairie recently announced that it had completed its required exploration work program under its concession agreements with the Polish Government (refer ASX announcement 28 August 2014). Prairie will now rapidly progress towards the Mining Concession phase of the permitting process by submitting Geological Documentation (a Polish standard resource report) to the Government during December 2014. Prairie will continue with various work streams during 2015 in order to complete the ongoing studies and reports required to apply for a Mining Concession.

Prairie's CEO Mr Ben Stoikovich commented: 'We are extremely grateful for the significant and ongoing support that we receive from the local community and government. Naming our future mine "Jan Karski Mine" after the famous Polish war hero and academic, demonstrates Prairie's reciprocal commitment to, and respect for, the Lublin community and its heritage. The Lublin Coal Project has the potential to provide a tremendous boost in local employment opportunities, regional energy security and benefits for the regional and national economy. We are making rapid progress with our work programs including project permitting and will submit Geological Documentation to the government before the end of December 2014.'

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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.

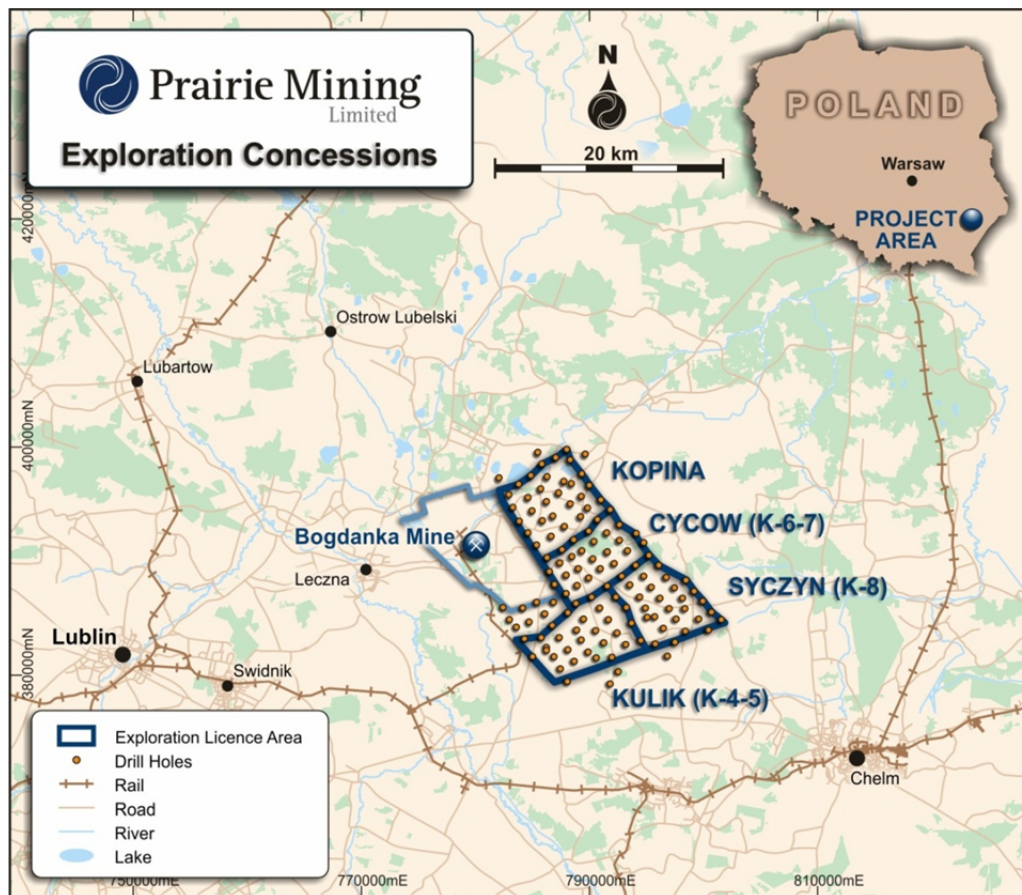


Figure 2: Lublin Coal Project Exploration Concessions

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		
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