



Prairie Mining
Limited

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GOVERNMENT ENDORSEMENT OF MODERN ROOF BOLTING TECHNOLOGY WILL LEAD TO LOWER OPEX AT PRAIRIE'S LUBLIN COAL PROJECT

HIGHLIGHTS:

- *Polish coal mining industry has formally taken steps to introduce international best practice roof bolting technology which will lower costs, increase productivity and improve safety*
- *Prairie is in the final stages of completing its Pre-Feasibility Study for the Lublin Coal Project which will include roof bolting technology and associated roadway development costs that are expected to be some ~60% lower than traditional Polish steel arch roadways*
- *Prairie has been a long term advocate of roof bolting and was recently invited to give a key note presentation at the major annual Polish coal industry conference on the application of roof bolting at the Lublin Coal Project*
- *Węglokoks Kraj, a Polish state-owned coal mining and trading company, and the government's Central Mining Institute, recently signed an agreement to implement roof bolting technology*

Prairie Mining Limited ("**Prairie**" or "**Company**") is pleased to report that the Polish coal mining industry has taken formal steps to introduce modern, international standard coal mining technology in order to improve mine profitability, safety and maximise resource extraction.

Given that roof bolting is commonly and successfully used in the overwhelming majority of coal mines around the world, including in Australia, United Kingdom, USA, China and Russia, Prairie has been a strong advocate of the adoption of roof bolting as a standard, safe and cost efficient practice in the Polish coal mining industry. Nearly two years ago, Prairie commissioned and published the results of its own technical report on roof bolting which received an overwhelmingly positive response in Poland (refer ASX release 22 April 2014).

In February 2016, the Polish state owned coal mining and trading company, Węglokoks Kraj, and the government's Central Mining Institute ("**GIG**") signed an agreement with Joy Global to begin work on implementing modern roof bolting technology with coal extraction using continuous miners at the "Piekary" underground coal mine in the Upper Silesian Coal Basin. Roof bolting and continuous miner extraction methods were already successfully implemented in New World Resources "CSM" mine in the Czech Republic over the last two years, which is in the same coal basin as the Upper Silesian coal mines in Poland and shares similar geological and mining conditions. To express the Polish government's support for this initiative, Mr Grzegorz Tobiszewski, Deputy Minister of Energy, joined the signing ceremony and stated that:

"I'm delighted that just as we are restructuring the Polish [hard coal] mining industry, that modern technologies are being brought forward and implemented to lower the production costs of Polish coal mines".



Modern Roof Bolted Coal Mine Roadway



Typical Polish Steel Arch Roadway

Modern Roof Bolted Coal Mine Roadway

In late February 2016, AGH, the leading mining university in Poland, organized its flagship annual “XXV School of Underground Mining Conference” with a key theme of roof bolting. This high profile conference, held in Krakow, gathers academics, officials from the government coal mining authorities, executives of Polish coal mining companies, mining engineers and representatives of mine design institutes for a week of interactive sessions. Prairie was invited by AGH to make a keynote presentation at the event with Mr Benjamin Stoikovich, Prairie’s CEO, presenting on the low cost mine design for the LCP. During the conference address he said:

“Prairie is in the final stages of completing its PFS so we have undertaken a substantial amount of technical analysis of the cost benefits roof bolting brings to underground coal mining. We are expecting to see substantial reductions in operating expenditure from the results of our upcoming PFS, when compared to traditional coal mines where steel arch roadways are the primary support method.”

Mr Mirosław Taras, a Prairie executive and former CEO of Bogdanka, further said: *“The agreement between Weglokoks, GIG and Joy Global to introduce roof bolting into the “Piekary” mine, as well as the success of the AGH conference, demonstrates the Polish coal mining industry’s willingness to deploy international mining practices, including advanced roof bolting technology. The Polish mining industry sees the significant potential to reduce operating costs and improve safety standards. I am proud that Prairie’s team of Polish and international experts can contribute to the technology shift in the Polish mining industry by sharing its technical expertise of modern mine design that will be applied to Prairie’s world class Lublin Coal Project”.*



Prairie Executives, Mr Mirosław Taras, Mr Ben Stoikovich and Mr Janusz Jakimowicz at "XXV School of Underground Mining Conference"

Conference sponsors included leading mining consultants and equipment suppliers; Joy Global, Jennmar and Golder Associates. The conference was also attended by local and national press and received extensive coverage in numerous national and television publications.

The speakers of the conference concluded that the Upper Silesian Coal Basin and Lublin Coal Basin have the potential to support modern high productivity mining techniques that are commonly practised internationally, including in Australian, British, US, Chinese and Russian coal mining industries. The plans aimed at implementing roof bolting as a primary means of roof support demonstrate the demand of the Polish coal mining for modern mining technology, and investments to secure the future for Polish coal mining. Roof bolts and chemical anchors are currently manufactured in Poland by Australian firms Orica and Jennmar and are widely available for purchase in-country.

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THE LUBLIN COAL PROJECT

The Lublin Coal Project is a large scale premium coal 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. The LCP is situated adjacent to the Bogdanka coal mine which has been in commercial production since 1982 and is the lowest cost hard coal producer in Europe.