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LUBLIN COAL PROJECT

PRE-FEASIBILITY STUDY RESULTS

March 2016 - ASX, LSE & WSE: PDZ

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Lowest Operating Costs into Europe

PFS demonstrates the potential to have some of the lowest operating cash costs (US\$25/t FOR) for hard coal delivered into key European markets

Strategic Large Scale, Long Life Asset

PFS confirms the robust economics of the Lublin Coal Project to be a large scale long life strategic coal supplier

Premium Product

Flexibility to produce ultra low ash semi-soft coking coal and premium coals for the power generation sector, as well as a range of sized coal for households and industrial use

Coal Remains Fundamental to Europe

European industry continues to consume more than 300Mt of hard coal per annum with imports rising and increasing concerns over energy security and raw material supply

Excellent Market Access

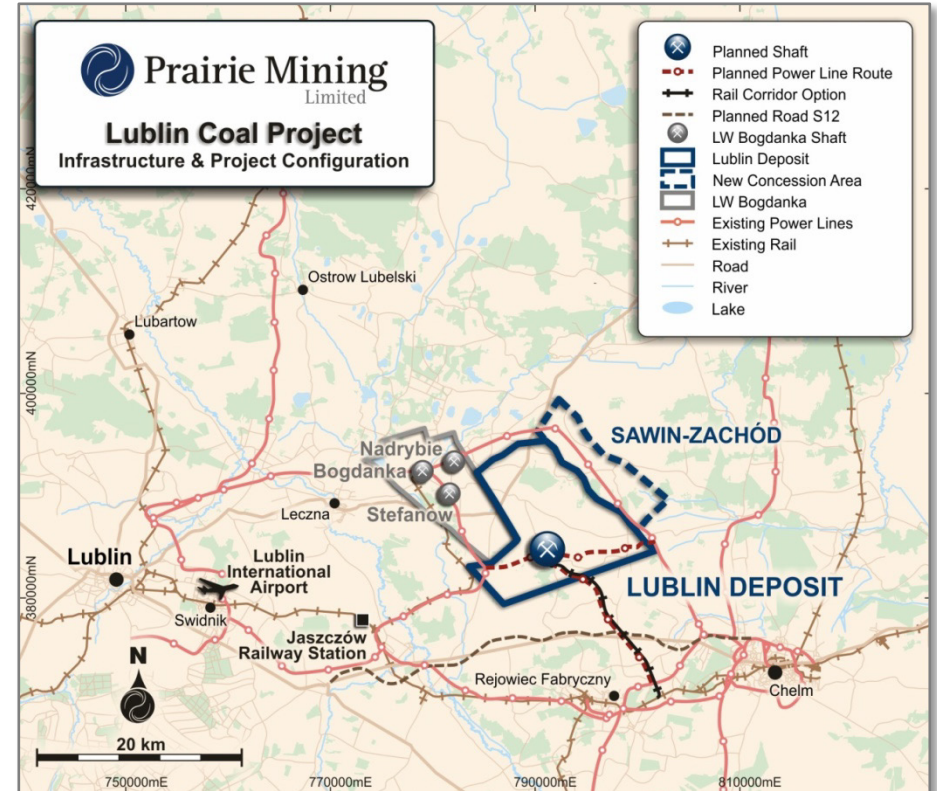
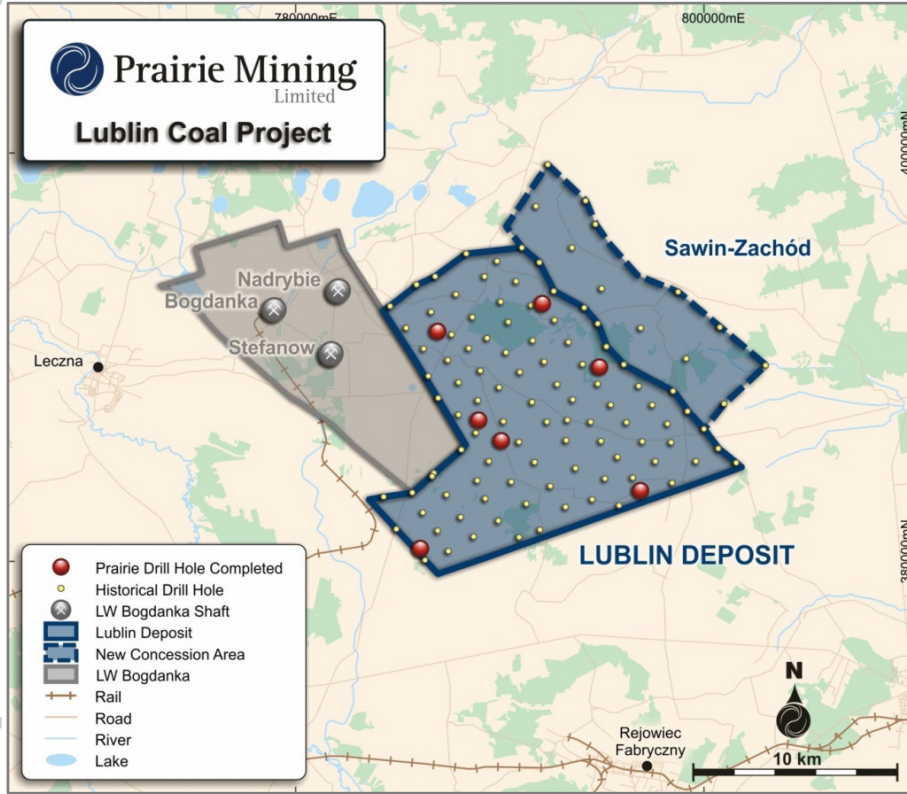
Existing rail and port infrastructure with excess capacity to service major European markets, with substantial netback pricing advantages due to proximity

Proven Coal Basin

Adjacent to the world-class Bogdanka longwall coal mine that has been in operation for 34 years and is the lowest cost hard coal mine in Europe

THE LUBLIN COAL PROJECT – WORLD CLASS POTENTIAL

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An advanced, world class coal project in a proven coal basin located close to existing infrastructure

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- Prairie has access to multiple potential markets for the sale of its coal products given the location of the Lublin Coal Project in the heartland of industrial Europe, with excellent rail and port access
- The Company will focus its marketing efforts on export markets in wider Europe that are easily accessible by rail with target markets including Germany, Czech Republic, Austria, Slovakia and Ukraine

Significant optionality exists for Prairie regarding potential target markets



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| | |
|--|-----------------------------|
| Low Operating Costs¹ | US\$ 24.96/tonne |
| Strong EBITDA² | US\$ 348 million |
| High Margin Business | 69% Operating Margin |

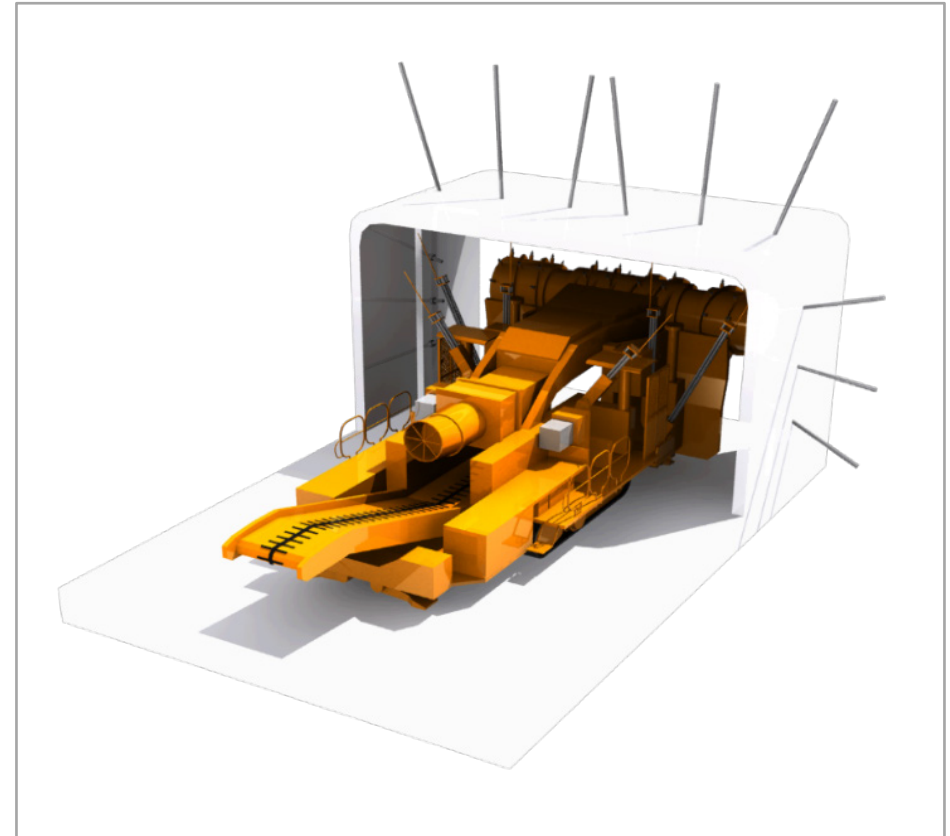
| Lublin Coal Project PFS Key Parameters | |
|--|------------------------|
| Mining Method | Longwall |
| ROM Coal Production (Steady State Average) | 8.0Mtpa |
| Clean Coal Production (Steady State Average) | 6.34Mtpa |
| Initial Mine Life | 24 years |
| Coal Handling & Process Plant | Dense Media |
| Access to Market | Existing port and rail |
| Steady State Annual EBITDA | US\$348.1m |
| Operating cash cost (Steady State Average) | US\$24.96/t |
| Direct Capex To First Production | US\$557.6m |
| EPCM, Owner's Costs and Contingency | US\$74.1m |
| Unit Sustaining Capex (Steady State Average) | US\$3.43/t |
| PLN: USD | 4.0:1 long term |

The Lublin Coal Project is positioned to become the lowest cost supplier of coal into key regional European target markets

Notes (1) Based on steady state production, inclusive of leased equipment costs and royalties
 (2) Average annual EBITDA based on steady state production and long term price forecasts

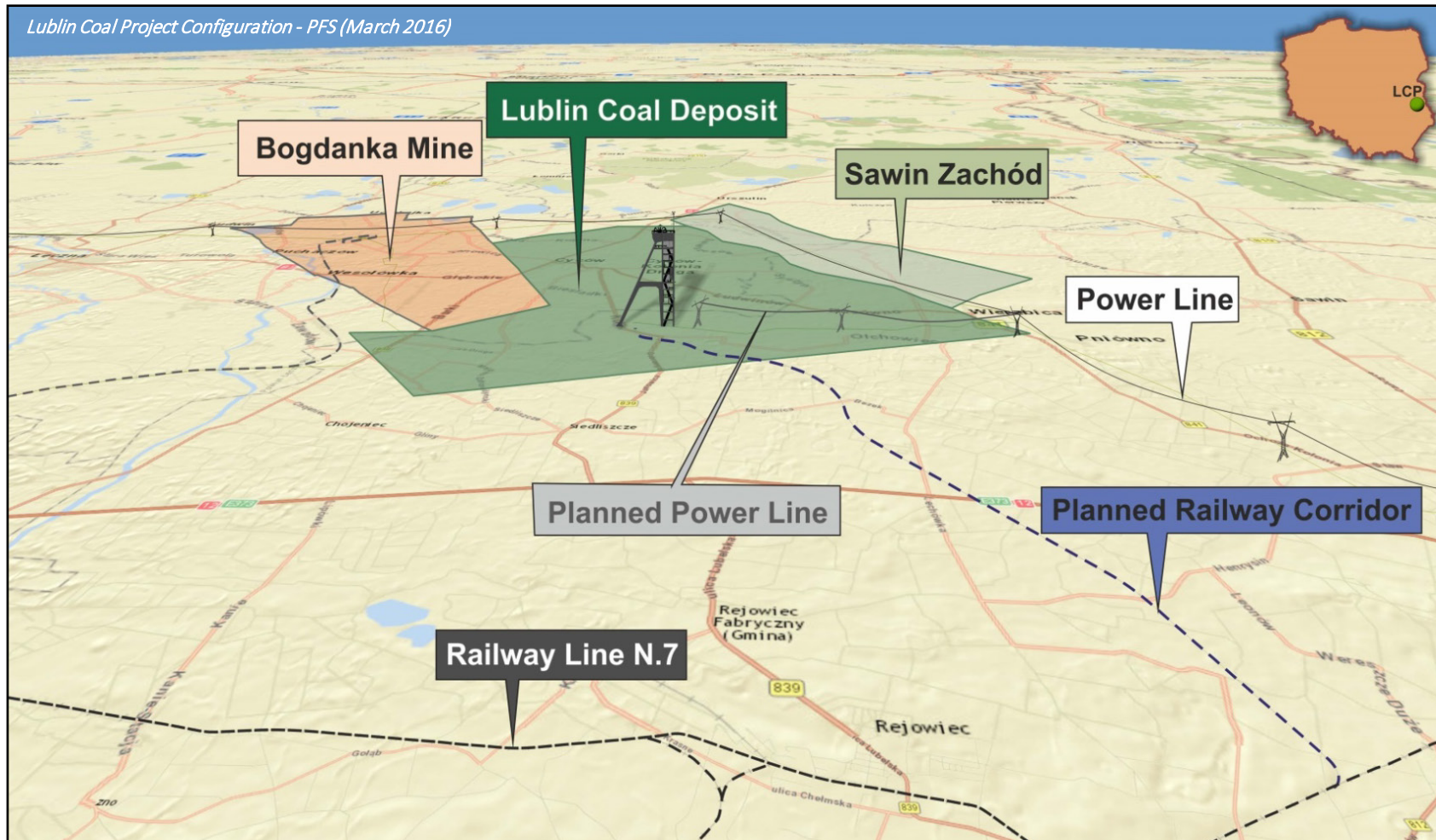
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| Operating Costs (FOR Mine Gate) | US\$ per tonne |
|------------------------------------|----------------|
| Labour Costs | 4.52 |
| Materials and Consumables | 5.34 |
| Power | 3.60 |
| Leased Equipment and Contractors | 5.32 |
| Direct Mining Cost | 18.79 |
| CHPP, Waste Management & Logistics | 2.92 |
| Direct Production Cost | 21.71 |
| SG&A | 2.25 |
| Mine Closure Fund | 0.21 |
| Average Operating Cost | 24.16 |
| Royalties | 0.80 |
| Average Operating Cash Cost | 24.96 |



The PFS demonstrates the potential to deliver substantial operational improvements; Prairie is pioneering the introduction of international best practice in mine design, production organisation and technology in Polish coal mining

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All major permitting processes are well underway including the environmental and social impact assessment, spatial planning (re-zoning) and the Deposit Development Plan

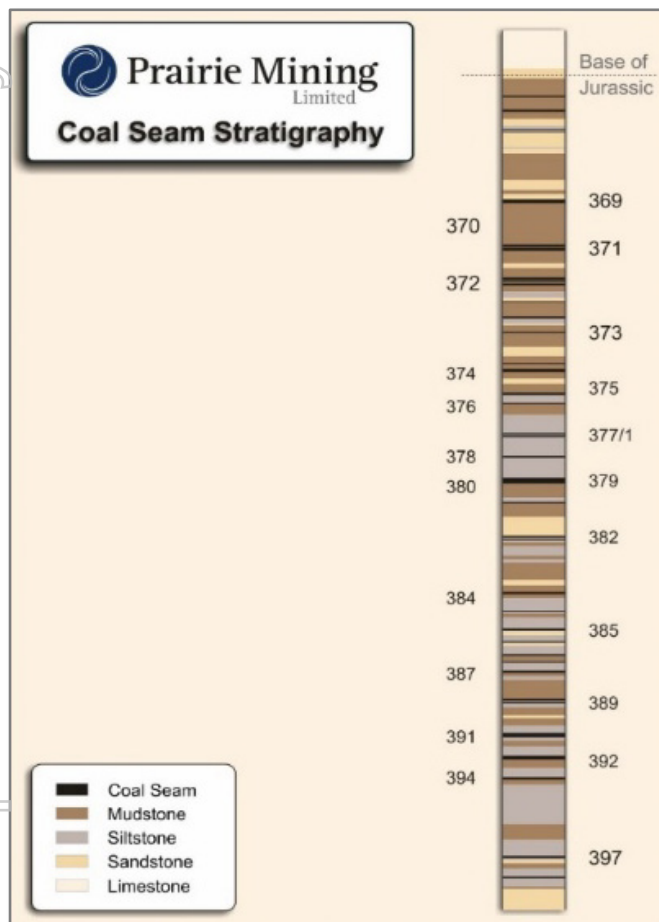
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| Capital Cost Summary | US\$ m |
|---|--------------|
| Shaft Costs (Sinking & Furniture) | 233.3 |
| Underground Development Drivages | 34.1 |
| Underground Infrastructure & Ancillary Equipment (Belts, Ventilation, Electrics, Power Centers) | 87.6 |
| Capitalised Pre-Production Expenses (Labour, Power etc.) | 66.7 |
| Other Underground Mine Development | 188.4 |
| CHPP & Waste Management | 45.5 |
| Mine Surface Facilities & Infrastructure (Buildings, Roads) | 90.5 |
| Total CHPP and Surface Facilities | 135.9 |
| EPCM, Owners' Costs and Contingency | 74.1 |



The LCP is located in one of the best serviced and infrastructure advantaged coal regions globally, leading to low capital intensity; all major capital items in the PFS are based on a combination of indicative quotes from major industry suppliers or estimates from industry experts

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Lublin Coal Project - JORC Coal Reserve Estimate – 389 & 391 Seams* (million tons)

| | |
|--|------------|
| Indicated Resources | 181 |
| Probable Recoverable Coal Reserves (Mt) | 170 |
| Probable Marketable Coal Product (Mt) | 139 |
| Product Yield | 81.9% |

* Recoverable Reserves are stated on an as-received basis & include partings, interburden, out of seam dilution and 2% mining losses
 * Marketable Reserves are stated on an as-received moisture content basis; estimated average clean coal moisture is 9.5%
 * This table contains roundings and background weighted calculations

Lublin Coal Project - JORC Coal Resource Estimate* (million tons)

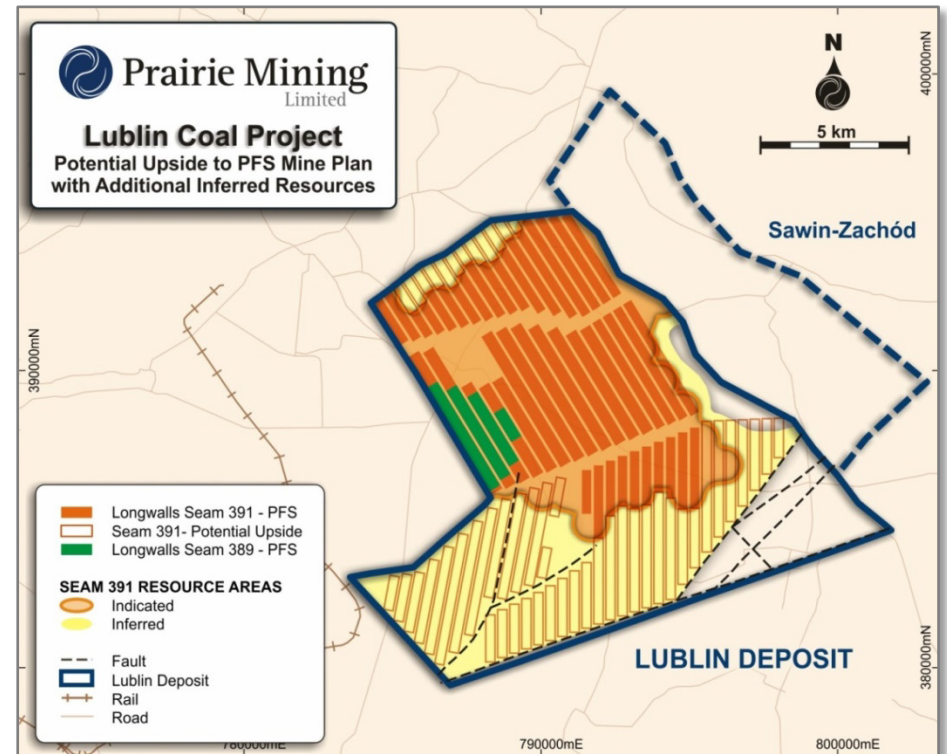
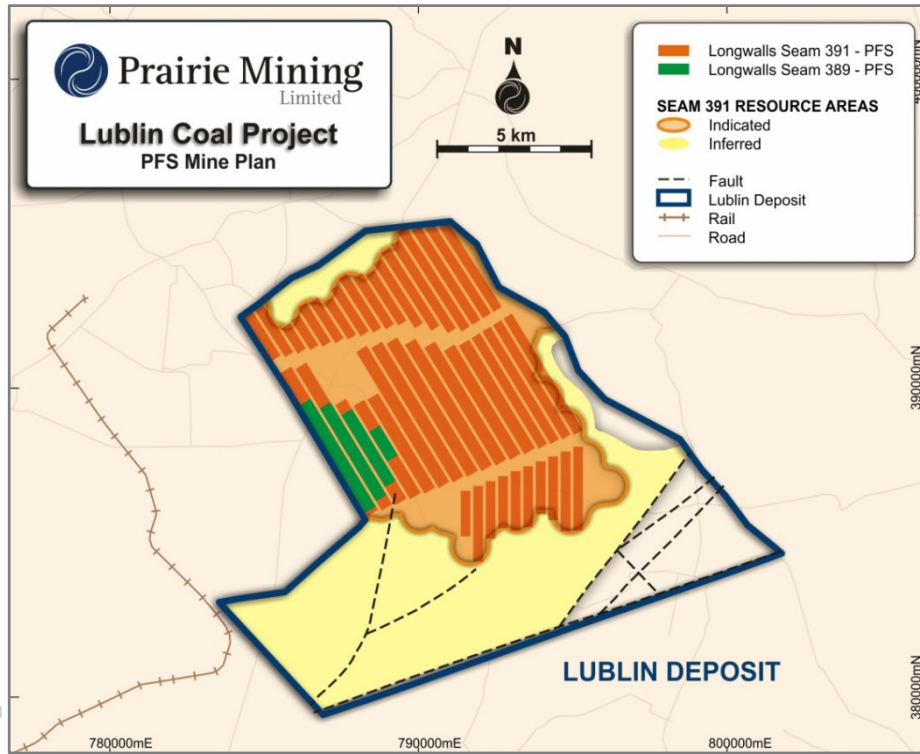
| Coal Seam | Indicated Coal Resource In-Situ (Mt) | Inferred Coal Resource In-Situ (Mt) | Total Coal Resource In-Situ (Mt) |
|--------------|--------------------------------------|-------------------------------------|----------------------------------|
| 382 | 63 | 35 | 98 |
| 385 | 35 | 13 | 48 |
| 389 | 17 | 54 | 71 |
| 391 | 164 | 87 | 251 |
| Other Seams | 73 | 187 | 260 |
| Total | 352 | 376 | 728 |

* Tonnage calculations for Indicated Resource include allowances for geological uncertainty (15%) and are based on gross seam thickness
 * Note: Apparent differences in totals may occur due to rounding

- Significant potential exists to increase production and extend mine life in the future by incorporating numerous other coal seams into the mine plan

The high quality 391 seam is flat, consistent and laterally continuous over most of the Lublin Coal Project

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Conversion of the remaining 87mt inferred resources within the 391 seam could potentially expand production over and above the PFS mine plan

Semi Soft Coking

Semi-Soft Coking Coal Comparison

| | Lublin Coal Project ¹ | JSW (Poland) | Glencore (NSW) | Solid Energy (NZ) |
|------------------------|----------------------------------|--------------|----------------|-------------------|
| Free Swell Index | 4.0 – 6.0 | 6.0 | 4.0 – 6.0 | 3.0 – 5.0 |
| Ash (% AD) | ≤4.0 | 8.0 | 9.0 – 9.5 | 4.5 |
| Volatile Matter (% AD) | 34– 35 | 37.0 | 33.0 - 36.5 | 38.0 |

Premium Thermal

Thermal Coal Comparison

| | Lublin Coal Project ¹ | ARA (API2) |
|--------------------------------|----------------------------------|-------------|
| Calorific Value (NAR, kcal/kg) | 6,100 | 6,000 |
| Ash (% AD) | 14 | 16.0 |
| Volatile Matter (% AD) | 32 | 24.0 – 37.0 |

Initial testing has indicated that the Lublin Coal Project hosts predominantly semi-soft coking coal and by-product premium thermal coal that compare favourably with internationally traded products

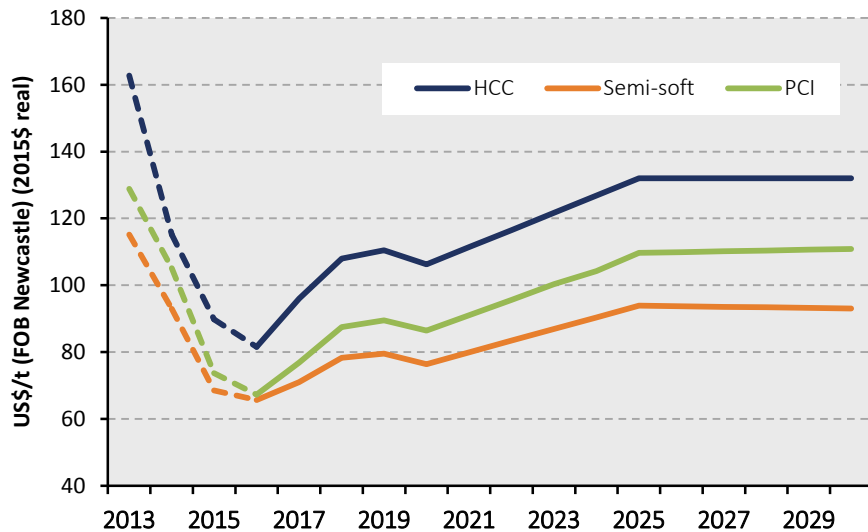
¹: Based on LCP PFS (March 2016)

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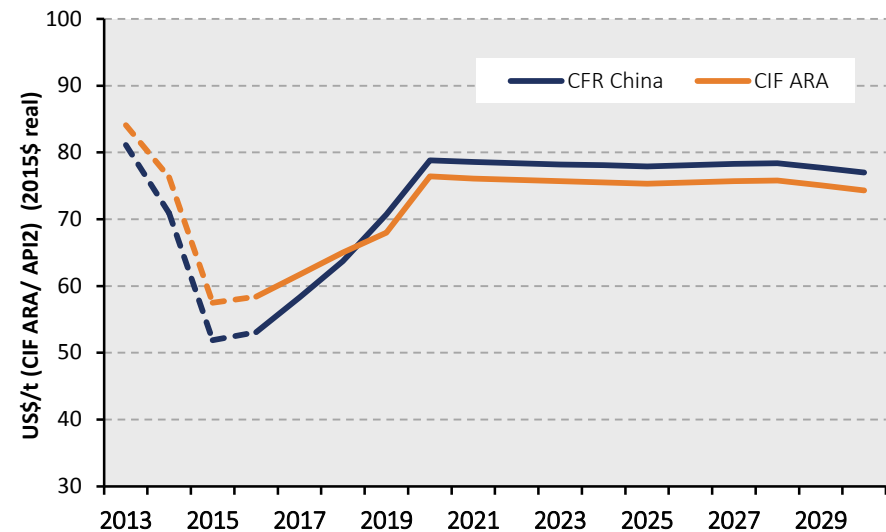
CRU forecasts that both metallurgical and thermal coal prices will recover over the medium to long term

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Metallurgical Coal - International Benchmark Long Term Price Forecasts



Thermal Coal - International Benchmark Long Term Price Forecast



- Metallurgical coal prices have fallen sharply since their 2011 peak due to a weak demand environment, oversupply, and more recently deep cost-cutting among existing producers. CRU estimate that some 50% of global seaborne metallurgical coal output is losing cash in the current market. CRU forecasts a strengthening in metallurgical coal prices over the long term through to 2024
- According to CRU only ~63%* of current global seaborne thermal coal supply is cash flow positive. Thermal coal prices have fallen to recent lows, with the API2 index at around US\$43/t in January 2016, down from an average of US\$84.1/t in 2013. CRU expect prices to recover in the medium term, reaching over \$76.4/t in real (2015) terms by 2020

Source: CRU metallurgical and thermal coal market studies conducted for Prairie Mining LCP PFS – Feb 2016
 * As of December 2015

PFS Saleable Coal Quality Specifications

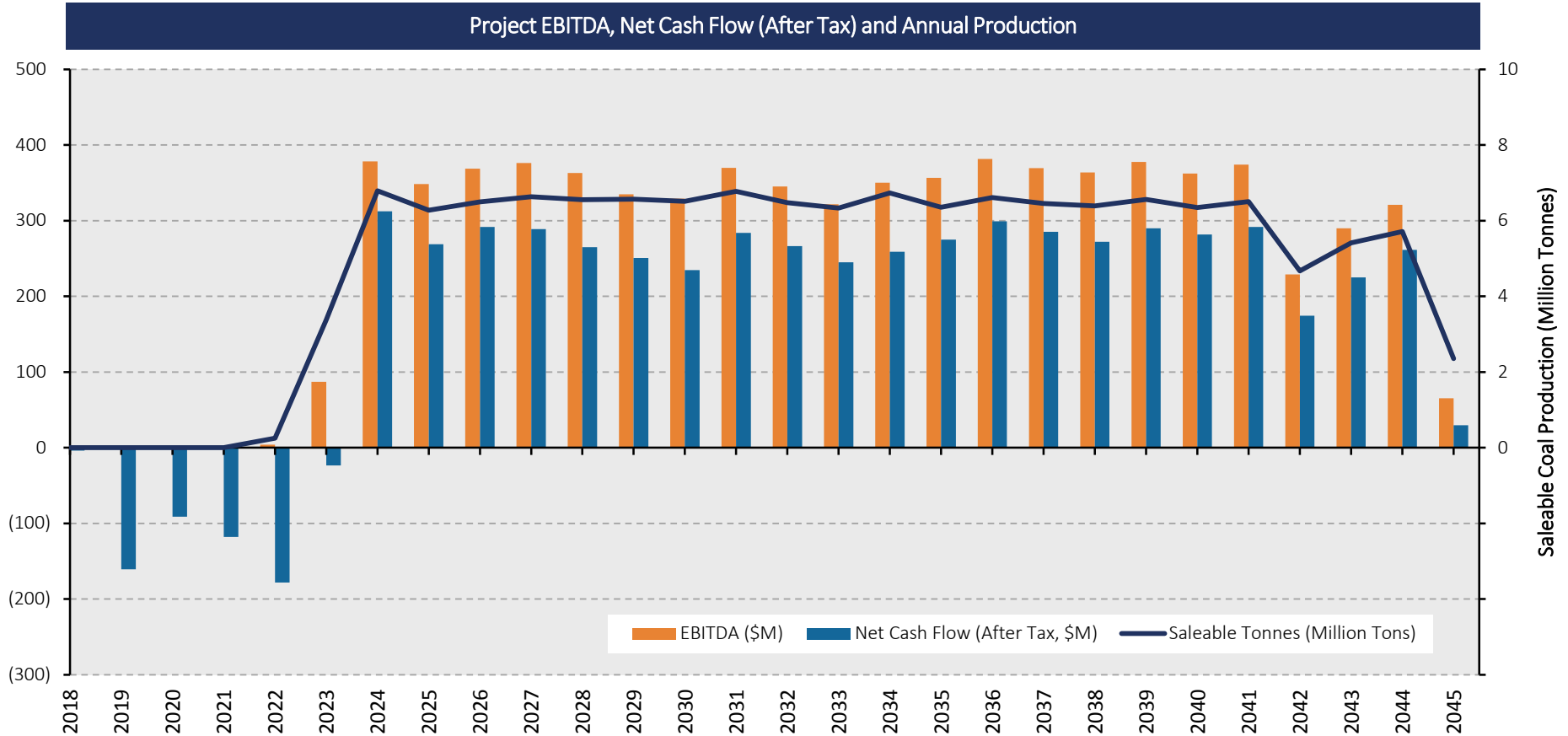
| | Product Coal Quality (As Received Basis) | | | | | |
|------------------------|---|------------|-----|----------|---------|------------------|
| | % LOM Saleable Coal Production | Sizing | Ash | Moisture | Sulphur | CV (kcal/kg NAR) |
| Metallurgical Coal | 42.0% | 0 to 30mm | ≤4% | 10.5% | 0.9% | 29,170 |
| API Specification Coal | 22.7% | 0 to 30mm | 14% | 10.5% | 0.8% | 25,500 |
| High Ash Fines Coal | 18.0% | 0 to 30mm | 26% | 10% | 0.7% | 21,900 |
| Industrial Coal | 12.0% | 16 to 30mm | <6% | 7% | 1.0% | 29,170 |
| Household Coal | 5.3% | 8 to 80mm | <6% | 5% | 1.0% | 29,890 |

Lublin Coal Project Coal Price Assumptions

| | Average Volume (Steady State) | 2024 FOR Price (Real) | 2036 FOR Price (Real) |
|------------------------|-------------------------------|--------------------------|--------------------------|
| Semi-soft Coking Coal | 2.66Mtpa | US\$84.10/t | US\$92.00/t |
| API Specification Coal | 1.44Mtpa | US\$55.60/t | USD54.20/t |
| High Ash Fines Coal | 1.14Mtpa | US\$75.10/t | USD74.60/t |
| Industrial Coal | 0.76Mtpa | US\$86.24/t | USD85.79/t |
| Household Coal | 0.34Mtpa | US\$105.00/t | US\$105.00/t |

The PFS product split and product quality has been determined by conducting detailed simulation of geology, mine design and coal washplant processing

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Payback period from first production is estimated to be three years, with average steady state EBITDA of US\$348.1m and free cash flow of US\$267.7m

The (ungeared) Net Present Value post tax is US\$1.39 billion at an 8% discount rate (real), and the IRR is 26.6%

Project Post-Tax NPV Sensitivity Analysis

| | Post-Tax NPV at 8% discount rate (US\$ billion) | | | | |
|-------------|---|------|-----------|------|------|
| | -20% | -10% | Base Case | +10% | +20% |
| Sales Price | 0.79 | 1.09 | 1.39 | 1.69 | 2.0 |
| Opex | 1.60 | 1.50 | 1.39 | 1.28 | 1.18 |
| Capex | 1.49 | 1.44 | 1.39 | 1.34 | 1.29 |

- Assuming spot prices achievable in the regional Polish and Czech markets during Q1 2016 for the suite of LCP products, the NPV of the project (post-tax, ungeared) is US\$695m at 8% discount rate (real)

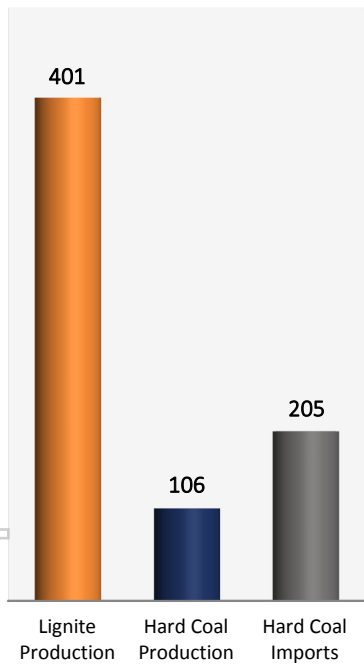
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| Consultant | Activity |
|--|---|
| Golder Associates (UK) (Golders) | Geotechnical and Roof Support Analysis, Mine Planning and Mineral Reserve Estimation, Hydrogeology, Financial Modelling, and Study Management |
| Royal HaskoningDHV UK Ltd (RHDHV) | Geology, Mineral Resource Estimation, Mine Site Infrastructure |
| Dargo Associates (UK) | Coal Handling and Preparation Plant Design and Cost |
| Deilmann-Thyssen Schachtbau (DTS) | Shaft Design, Shaft Sinking, Installation and Cost |
| Mota Engil Central Europe (MECE) | Railway Spur Infrastructure |
| WS Atkins/Multiconsult | ESIA |
| Sunbar | Spatial Planning |
| Energoprojekt | HV Power Supply |
| CRU / PAN (Polish Academy of Science) | Coal Market Studies |
| Zespół Doradców Gospodarczych TOR (Poland) | Transport Logistics Study |

The Pre-Feasibility Study has been prepared by independent consultants in accordance with the JORC code; lead consultants Golders Associates and Royal HaskoningDHV supported by various international and Polish experts

During 2014, Europe¹ consumed over 712mt of coal, of which 311mt was hard coal and the remainder lignite (brown coal). In 2014 alone, imports of black coal to Europe grew by 25% to a total of 205mt

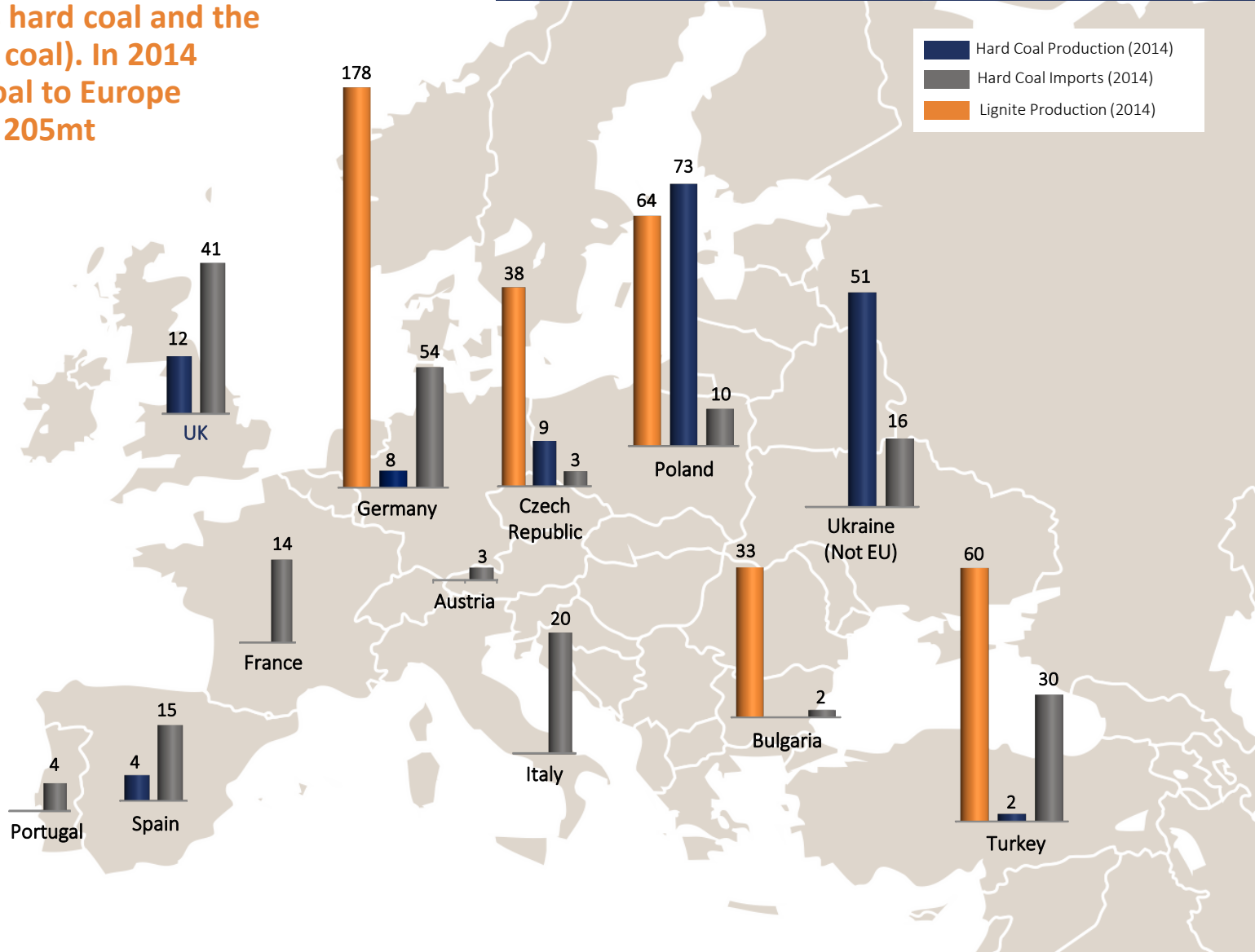
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Total Europe Lignite and Hard Coal Consumption (mt) - 2014

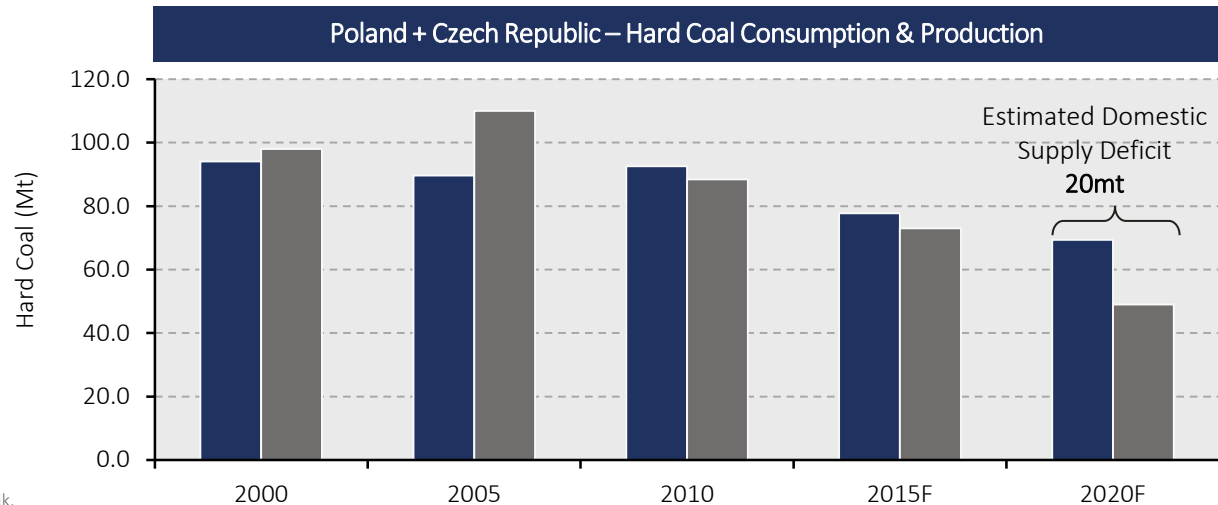
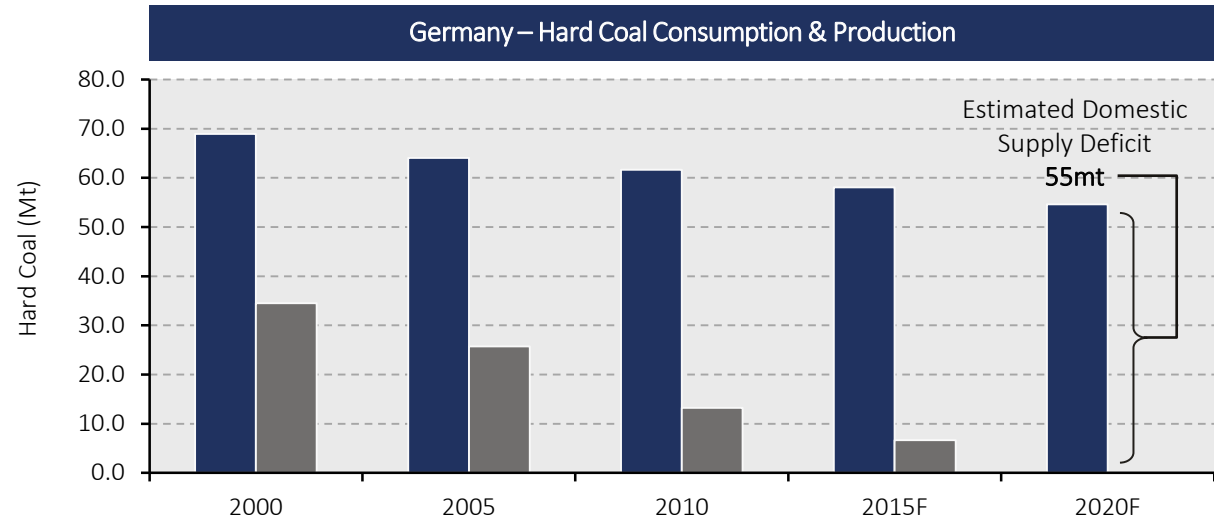
1: EU defined as EU plus Turkey (excludes Ukraine)
 Source: Euracoal Annual Report 2014, page 14 and Euracoal Market Report 2015-1.

European Hard Coal Imports & Production by Country (mt) - 2014



Declining domestic production and increased reliance on imports are the key trends forecast for hard coal markets in Germany, Poland and Czech Republic

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Domestic Consumption
 Domestic Production

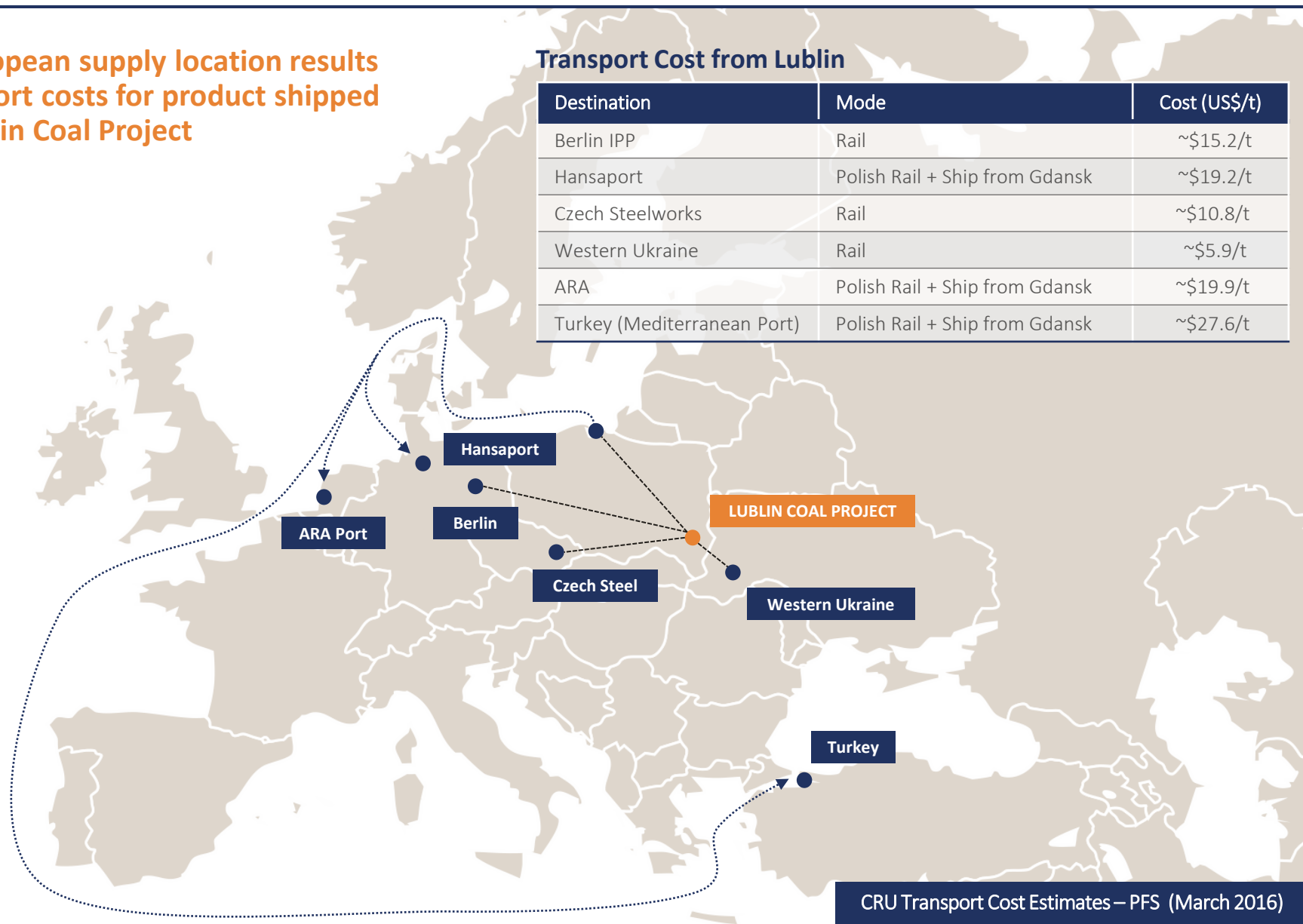
Source: IEA Statistics – Coal Information 2014 (Hard Coal = coking coal + steam coal)
 2020 Estimates: Prairie based on 'Coal for Polish Power Sector in 2050 Perspective' K.Gawlik.
 *Based on analysis by Ipopema Securities 2015

Prairie forecasts a net import requirement of hard coal into Germany, Poland and Czech Republic of more than 75mtpa by 2020

Strategic European supply location results in low transport costs for product shipped from the Lublin Coal Project

Transport Cost from Lublin

| Destination | Mode | Cost (US\$/t) |
|-----------------------------|--------------------------------|---------------|
| Berlin IPP | Rail | ~\$15.2/t |
| Hansaport | Polish Rail + Ship from Gdansk | ~\$19.2/t |
| Czech Steelworks | Rail | ~\$10.8/t |
| Western Ukraine | Rail | ~\$5.9/t |
| ARA | Polish Rail + Ship from Gdansk | ~\$19.9/t |
| Turkey (Mediterranean Port) | Polish Rail + Ship from Gdansk | ~\$27.6/t |

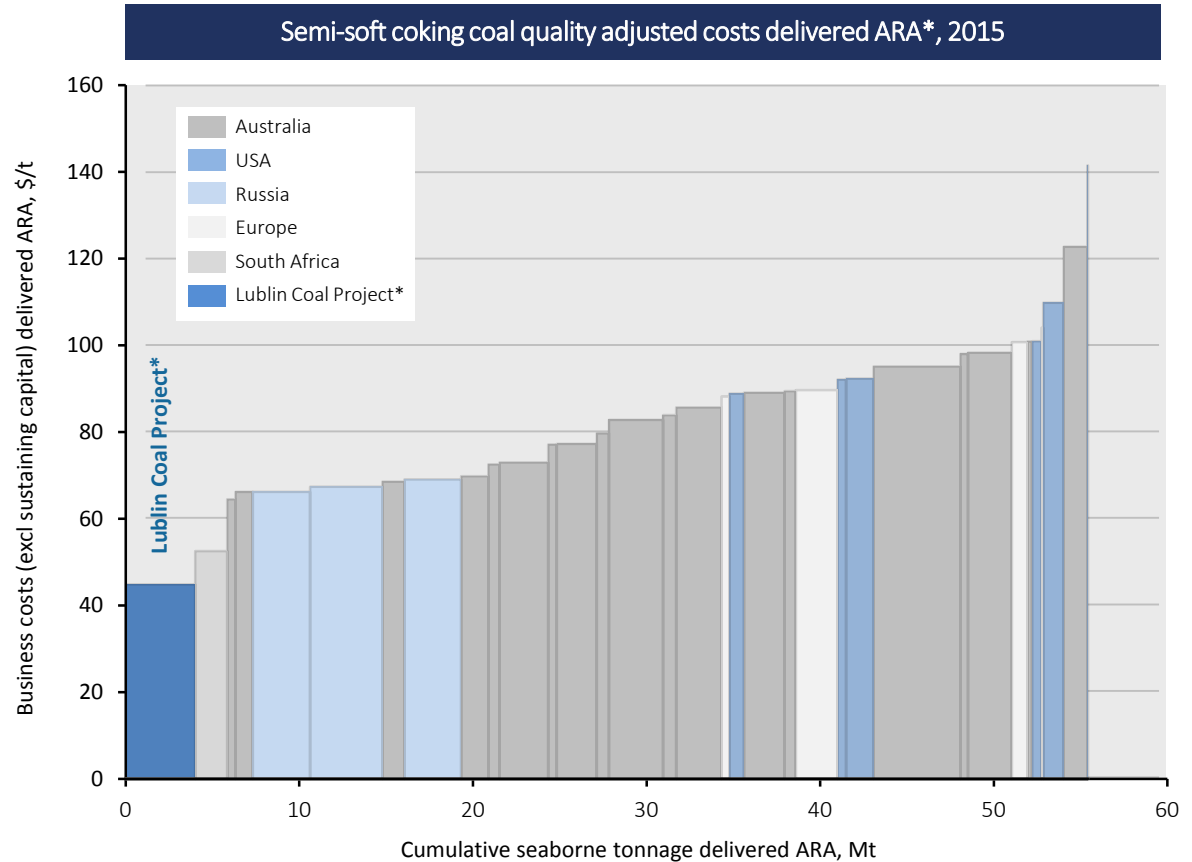


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Source: CRU
 Note: based on PLN:USD
 fx 4:1 fx and sea freight
 rates as of February 2016

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- Semi-soft coking coal product from the LCP is anticipated to be at the bottom of the global cash cost curve for semi-soft coking coal delivered to ARA
- LCP API specification thermal coal would be in the lowest quartile of the global cash cost curve on a delivered to ARA basis
- Due to proximity and freight cost advantages, LCP export thermal coal will be significantly more cost competitive when sold by rail into the Czech Republic, Germany, Austria, Slovakia or Ukraine, and the LCP would be a lowest cost supplier into these key regional markets



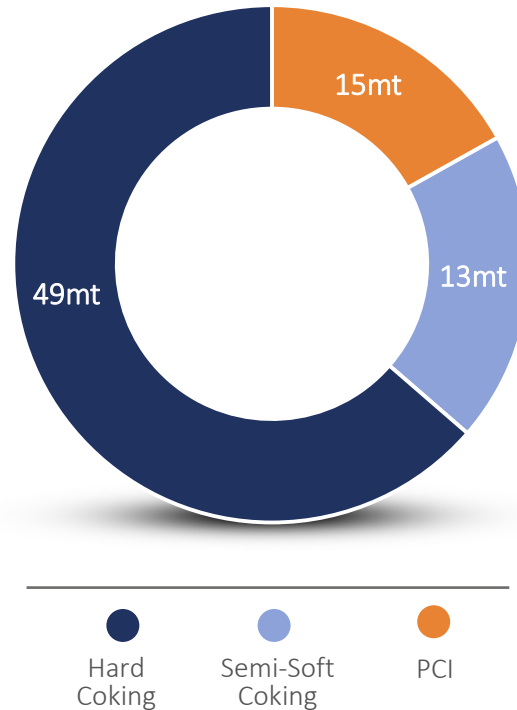
The LCP is projected to have an average operating cash cost of US\$24.96 per tonne FOR at steady state production, and an ARA delivered cost of US\$44.86 per tonne

*LCP costs based on site costs at \$25/t + rail cost to Gdansk (\$11.7/t) + ship loading (\$4/t) + shipping to ARA (50,000dwt bulk carrier) at \$4.2/t

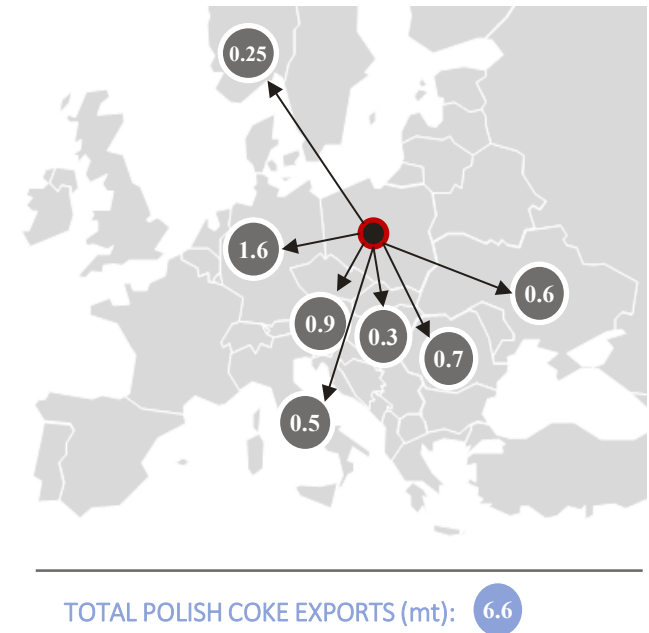
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- In 2014 Europe consumed a total of 77mt coking coal, of which 13mt was semi-soft coking coal
- Europe relies heavily on imports of coking coal, importing 55mt (i.e. ~71% of total consumption) in 2014
- Poland is the world's largest merchant coke exporter, producing some 9mt annually and exporting 6.6mt in 2014
- Poland consumes around 3.2mtpa of type 34 coal - the Polish designation for semi-soft coking coal; this will potentially increase with further implementation of "stamp charging" coke-making technology in Poland

European coking coal demand (mt)



Polish coke exports by major destination (mt)



Europe represents a major potential market for Prairie's semi-soft coking coal

Source: Prairie analysis and CRU

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Rail Accessibility

- High quality rail lines connect the Lublin region with the rest of Europe
- Direct access to major European markets including Germany, Czech Republic and Ukraine



Underutilised Port Capacity

- Port of Gdansk located 520km from project by rail with approximately 15mtpa spare coal export capacity
- Provides further access to wider seaborne markets



Prairie has completed rail and port studies confirming ample capacity, accessibility and low costs of regional infrastructure

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The Lublin Coal Basin has highly favourable geological and mining conditions compared to the Upper Silesian Coal Basin. The International Energy Agency* predicts that the Lublin Coal Basin has the potential to strengthen competitive coal exports from Poland in the coming years

Silesian Basin

| | |
|--------------------------------|---------------------------------|
| Size ¹ | 5,400km ² |
| Years in Production | 250 |
| Production (2015) ² | 72.2mt |
| No. Operating Mines | 28 |
| Typical Longwall Panel | 150 metre face 1.2 km length |

Coal Geology

| Seam Dip | Variability | Faulting | Methane | Rockburst |
|----------|-------------|----------|---------|-----------|
| 0° - 45° | High | High | High | High |



Lublin Basin

| | |
|------------------------|-------------------------------------|
| Size | 9,100km ² |
| Years in Production | 34 |
| Production (2015) | 8.5mt |
| No. Operating Mines | 1 |
| Typical Longwall Panel | 300 metre face Up to 5 km length |

Coal Geology

| Seam Dip | Variability | Faulting | Methane | Rockburst |
|----------|-------------|----------|---------|-----------|
| 0° - 2° | Low | Low | Low | Low |

1: 5,400km total of which 4,500km within Poland. Source PWN encyklopedia

2. Source: Company Reports, Euracoal and Ministry of Economy, Poland: - Upper Silesian production includes Polish and Czech mines

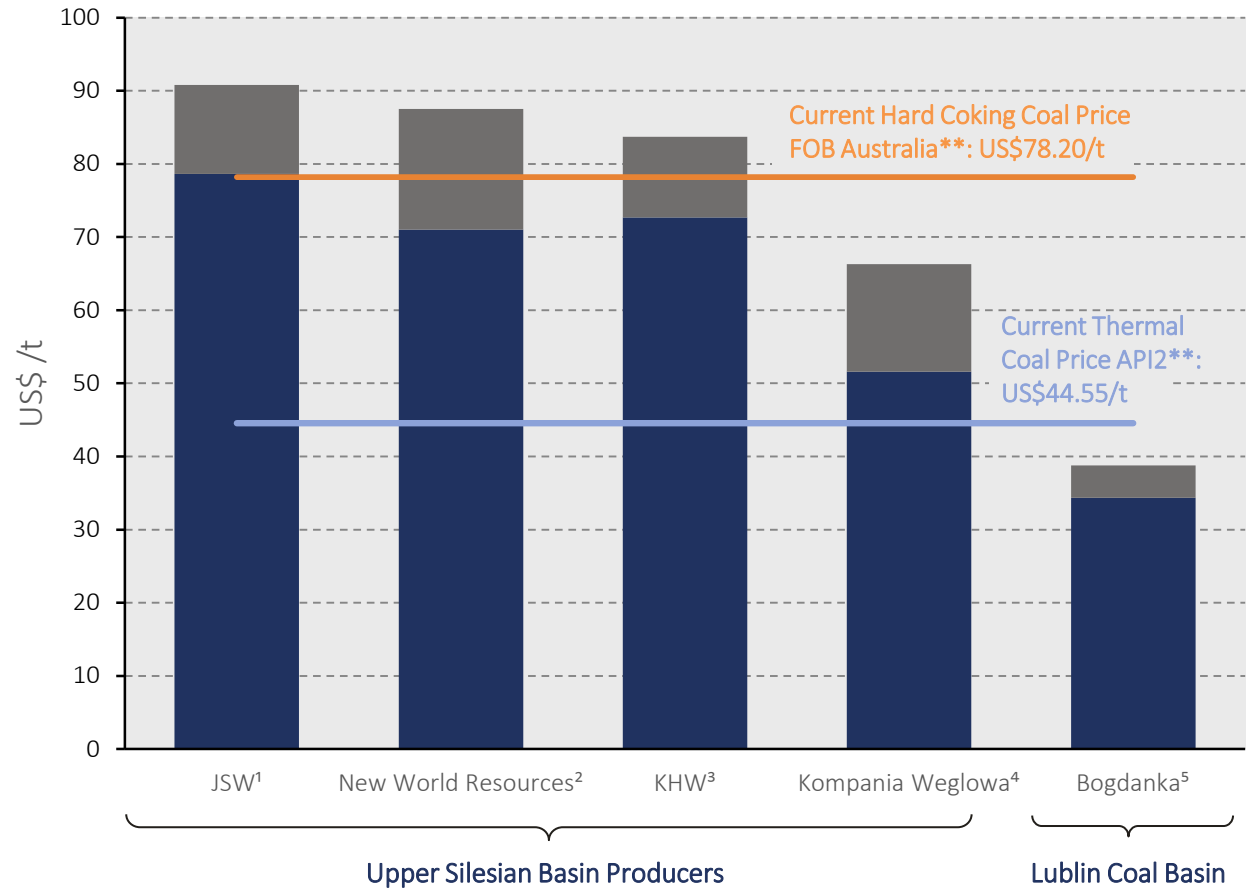
*International Energy Agency: Medium-Term Coal Market Report 2014 (p91), 15 Dec 2015

CENTRAL EUROPEAN COAL MINING: UNIT COST COMPARISON

■ Mine Operating Cost*
■ SG&A

Sources

- 1: JSW: Quarterly Report for the period of 12 months ended 31 December 2015 prepared in accordance with IFRS; Cost of sales adjusted for coke business
 - 2: New World Resources: New World Resources PLC Annual Report and Accounts 2015 prepared in accordance with IFRS
 - 3: Katowicki Holding Węglowy S.A Capital Group: Interim Condensed Financial Statements for the 6-month period ended 30 June 2014 prepared in accordance with IFRS
 - 4: Grupa Kapitałowa Kompanii Węglowej SA, P&L and Cash Flow Statements, period ending 31 December 2014 prepared in accordance with PAS. Production of 28.764 kt in 2014 sourced from: http://www.kwsa.pl/files/biezace/art1422/program_naprawczy_kw_prezentacja.pdf
 - 5: LW Bogdanka: Directors Report on Operations for the Third Quarter of 2015 ended on 30 September 2015 prepared in accordance with IFRS
- Note: For conversion purposes average FX rates for the period of 12 months of 2015 were used;
- * Mine Operating Costs calculated as Cost of Sales less Depreciation; Unit SG&A calculated as SG&A divided by saleable coal production
- ** Source: IHS Energy – 1 March 2016



Without aggressive restructuring, most hard coal mining in the Upper Silesian Basin is unsustainable at current coal prices. The Lublin Coal Basin represents a proven, world class and secure alternative source of supply for Europe

The Lublin Coal Basin has ideal geological and mining conditions for high productivity longwall operations

As a result, the Bogdanka mine is currently the lowest cost hard coal mine in Europe

Prairie will pioneer the introduction of international best practice in mine design, production organisation and technology to deliver substantial operational and product quality improvements

...by taking a modern approach to mine design and incorporating international best practice

International Longwall Coal Mine Labour Productivity Comparison

| Country | Tonnes / man / year |
|--|---------------------|
| USA | 10,000 |
| Australia | 7,000 |
| Prairie Mining – Lublin Coal Project (PFS)* | ~3,750 |
| Bogdanka | 1,300 – 2,000 |
| Upper Silesian Mines (Poland & Czech Republic) | 600 - 700 |

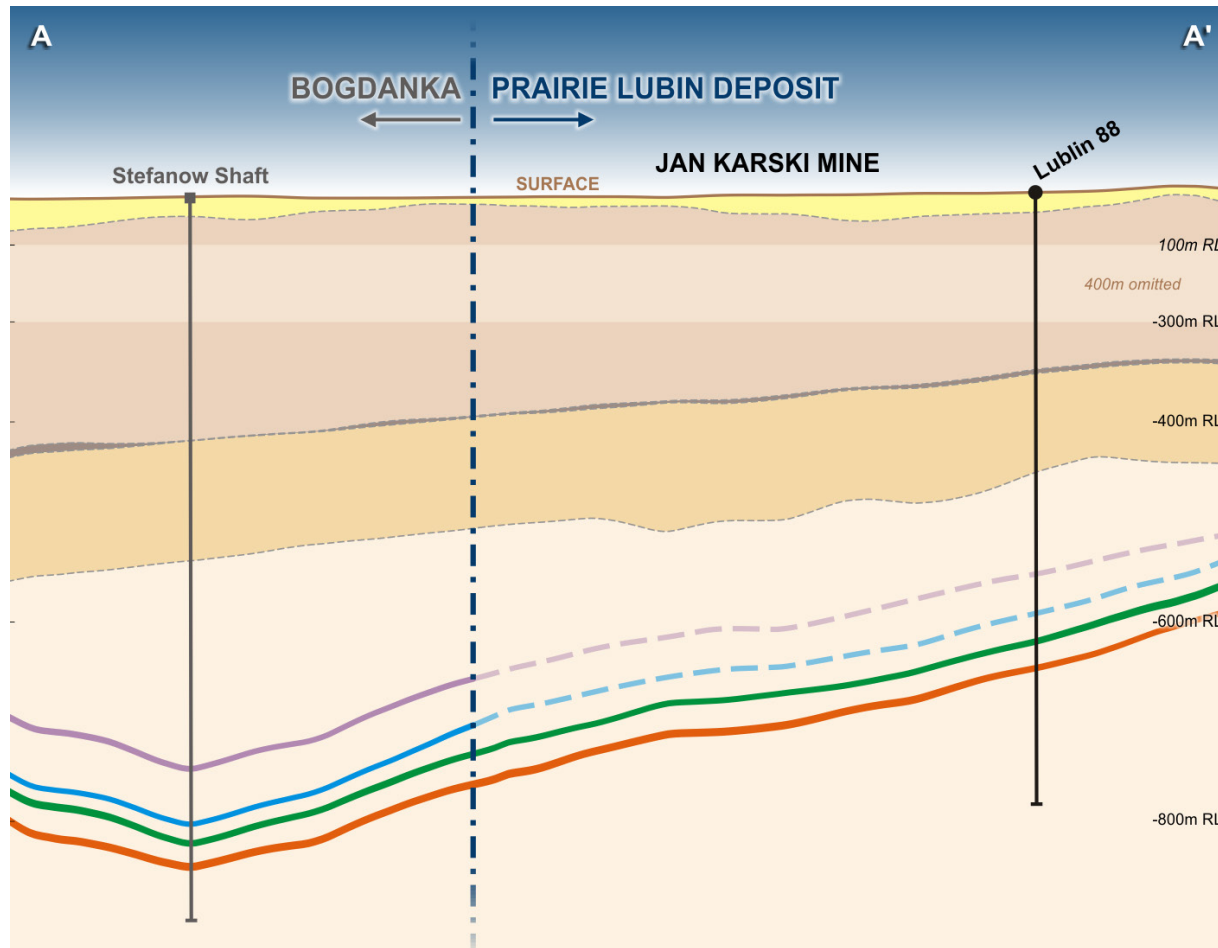
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Source: Wardell Armstrong International & Prairie Mining Limited

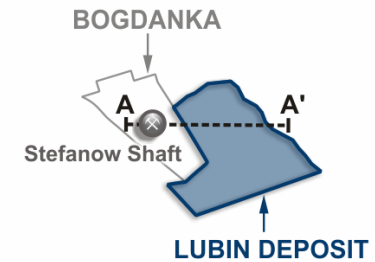
*Forecast based on the Lublin Coal Project Pre-Feasibility Study – March 2016

The 391 seam is thicker, contains the highest quality coal in the Lublin Coal Basin, with mining conditions expected to be better due to shallower relative depth

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LUBLIN DEPOSIT Geological Cross Section



- Drill Hole
- Coal Seam (382)
- Coal Seam (385)
- Coal Seam (389)
- Coal Seam (391)
- Quaternary
- Cretaceous
- Albian
- Jurassic

Note: Average insitu seam quality reported at LW Bogdanka S.A concession: **Seam 382** (Ash: 13.12%, CV: 26,427kJ/kg, S: .140%, **Seam 385/2** (Ash: 8.37%, CV: 25,972kJ/kg, S: 1.11%), **Seam 391** (Ash: 8.17%, CV: 28,746kJ/kg, S:1.24%) – Source: “Expert’s Report on Valuation of LW Bogdanka S.A. Geological-Mining Assets for the Prospectus Needs” – English Translation – 15.05.2009

Coal mining technology in Poland has not kept pace with international best practices, thereby negatively impacting efficiency of existing mines.

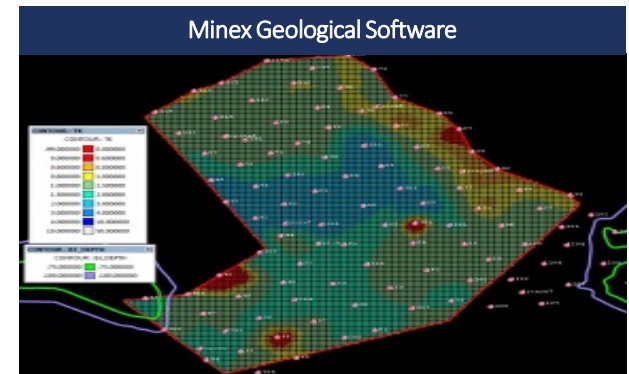
Prairie will start with a “clean slate”, drawing on modern international experience in all areas of development

- Modern exploration techniques - provide more accurate and reliable estimation of resources and improved mine planning
- Optimized targeting of coal seams - focuses on maximizing net present value by targeting highest quality coal seams first
- Modern mine design - reduces operating costs, improves coal yields and optimizes logistics
- New technologies - focuses on increased automation, improved productivity and safety through:
 - Adoption of continuous miners and rock-bolting techniques - common in Australia, USA, China and other countries resulting in increased automation and improved safety
 - Adoption of modern coal washing techniques such as froth flotation resulting in higher coal yields and improved product flexibility
- Improved Labour Organisation - flexible shift structures, 7 day per week rotations, bonuses based on production targets aimed at increasing productivity, reducing costs and aligning staff interests with corporate goals

Joy 12CM 30 Continuous Miner

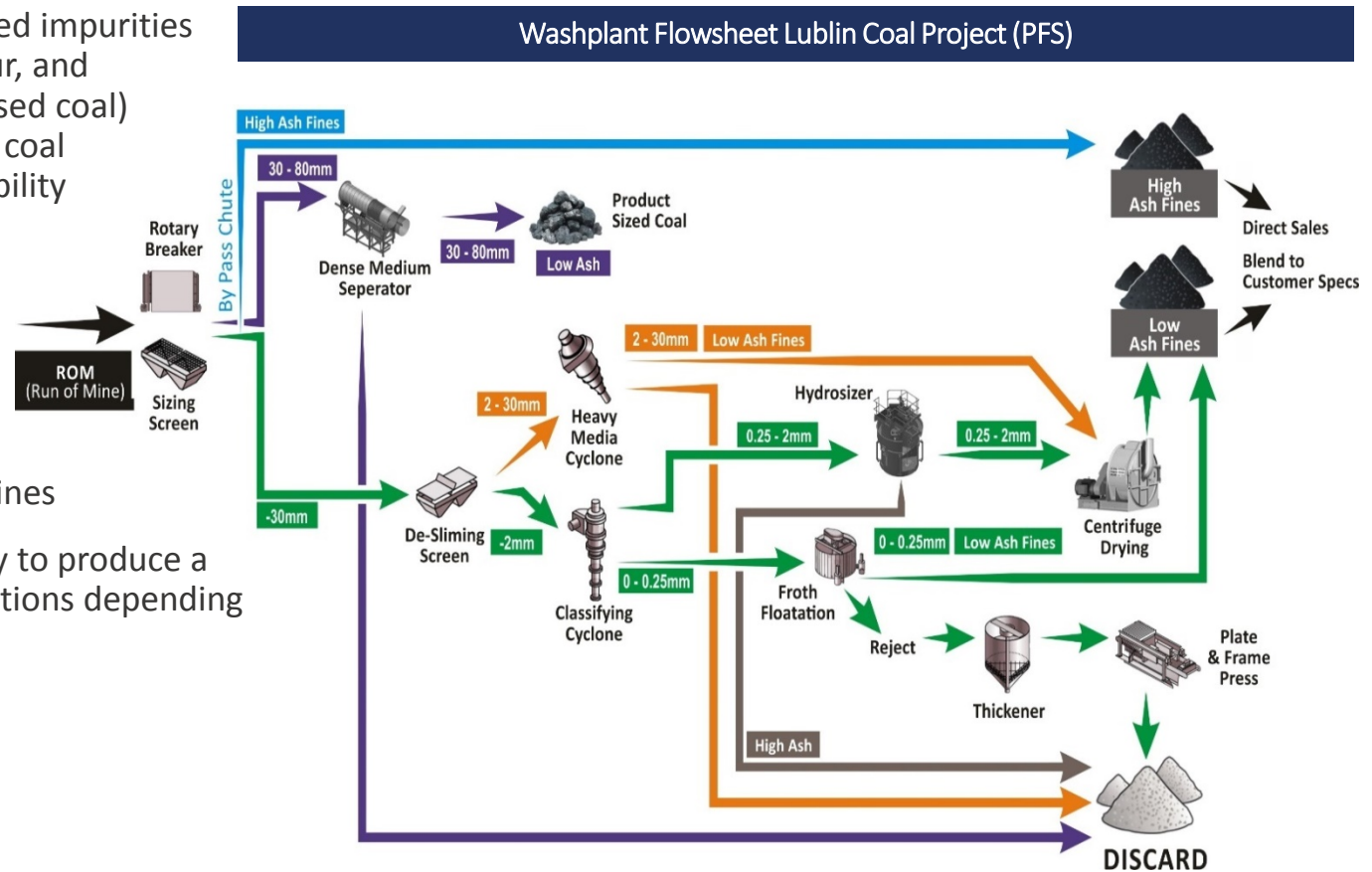


Minex Geological Software



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- Coal washing removes unwanted impurities such as rock, “dirt”, ash, sulphur, and moisture from ROM (unprocessed coal) feedstocks in order to improve coal utilization properties, marketability and value
- Prairie’s wash plant design utilises off the shelf equipment widely used in the USA and Australia for the last 20 years, but not yet widely utilised in Polish coal mines
- Plant design gives the flexibility to produce a range of saleable coal specifications depending on market requirements



Exceptionally high core yields (up to 97%) from the 391 seam and average predicted CHPP yield of ~79% with the flexibility to produce a range of semi-soft, thermal and sized coal products...

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- Prairie, through its subsidiary PDZ Holdings, concluded an Investment Agreement with global natural resources private equity fund CD Capital in July 2015 to invest up to A\$83m into the Lublin Coal Project
- The transaction will fully fund all required works up to a positive mine development decision at the Lublin Coal Project, including the completion of a Definitive Feasibility Study and all required permitting

| Prairie Mining Limited (ASX/WSE/LSE: PDZ) | |
|---|---------------------------|
| At 9 March 2016 | |
| Current Issued Capital | 149.8 million |
| Options & Performance Rights | 22.1 million |
| Market Capitalisation (Undiluted @ A\$0.22) | A\$33.0 million |
| Cash and Listed Securities Held** | A\$17.9 million |
| Enterprise Value | A\$15.1 million |
| WSE Share Price | PLN0.55 (~A\$0.19) |

CD Capital have committed to be a key strategic funding partner in the upgrading, expansion and development of Prairie's Lublin Coal Project

** As at 9 March 2016 Prairie held 3.75 million ordinary shares in TSX listed company B2Gold Corp (TSX: BTO) which closed at C\$1.74 per share for a total value of C\$6.53m (equivalent to A\$6.57m using AUD : CAD exchange rate of 0.9932)

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Geological Documentation & Deposit Development Plan

- Exploration program completed and all terms of Exploration Concessions met
- Geological Documentation formally approved, triggering the Priority Right for Prairie to apply for a Mining Concession
- Deposit Development Plan will be completed during Q1 2016, and forms the basis of the Mining Concession Application

Environmental Impact Assessment

- Environmental Baseline Studies completed during 2015
- Full ESIA on track for submission during 2016



Land Rezoning & Acquisitions

- Spatial planning and land acquisition well advanced
- Initiated discussions with regional Rail authorities regarding rail spur line development
- Initiated discussions with regional Power utility regarding access to grid



Grant of a mining concession in Poland requires approval of a Deposit Development Plan, rezoning and an Environmental Consent Decision

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| | 2015 | | | | 2016 | | | | 2017 | | | |
|--------------------------------------|------|----|----|----|------|----|----|----|------|----|----|----|
| Project Milestones | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Coal Resource Upgrade | | | ✓ | | | | | | | | | |
| Coal Marketing Studies | | | | | ✓ | | | | | | | |
| Pre-Feasibility Study | | | | | ✓ | | | | | | | |
| Complete Agreed Exploration Program | ✓ | | | | | | | | | | | |
| EIA Baseline Studies | | | | | ✓ | | | | | | | |
| EIA Study | | | | | | | | | | | | |
| Financing Work Stream | | | | | | | | | | | | |
| Further Technical Studies | | | | | | | | | | | | |
| Polish Requirements | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Approval of Geological Documentation | | ✓ | | | | | | | | | | |
| Deposit Development Plan | | | | | ✓ | | | | | | | |
| Spatial planning & Rezoning Works | | | | | | | | | | | | |
| Environmental Permitting | | | | | | | | | | | | |

Prairie is targeting for project construction to commence 2018 based on the LCP timeline and permitting schedule

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On 16 February 2016 Poland's Deputy Prime Minister M. Morawiecki delivered an outline of the new national economic development plan

The new economic Plan for Poland:

- Encompasses support for development of industries based on natural resources
- **Acknowledges the industrial potential of the Lublin Coal Basin underlined by the catch-phrase "Coal 2.0"**
- Calls for specializations of industries located in Eastern Poland in the area of clean coal technologies

The Plan emphasizes development of Eastern Poland through:

- Stimulation of innovation and expansion of strong regional sectors such as aviation and chemical industry
- Infrastructure development in particular through extension of important express ways S-19 and S-17 being part of international road routes in Eastern Europe
- Incentives for private investment in the region



Title page of the economic development plan



Minister Mateusz Morawiecki presenting the outline of the new economic development plan at the press conference

Source: Ministry of Economic Development
 Responsible Development Plan published on 16 February 2016
https://www.mr.gov.pl/media/14873/Responsible_Development_Plan.pdf

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A new mine in Lublin has the potential to deliver significant benefits to the region and has resulted in local municipalities showing strong support for Prairie's development plans

The Lublin Region is characterised by:

- High regional unemployment of up to 18.8% compared to the national average of 11.7%¹
- GDP per capita some 32% lower than the national average
- High negative migration balance among people in the 25-34 age range

Deloitte Economic Benefits Study² confirmed that Prairie's new mine would:

- Create up to 2,000 direct and 10,000 indirect jobs
- Deliver significant improvements in the standard of living within the municipalities in the vicinity of the Project
- Stimulate the development of education, health services, and communications
- Potentially double the amount of foreign direct investment in the Lublin province
- Deliver non-economic benefits including development of human and intellectual capital, improved health standards and social security



PD Co Tent at the Dozynki Festival



Site visited attended by local community representatives

Sources:

- 1: Central Statistical Office of Poland, Registered Unemployment 1Q2015 published 08.07.15: Chelm shire unemployment rate is 18.8%
- 2: Deloitte Presentation "Selected benefits of the investment project by PD Co in the Lublin Coal Basin" published 14 April 2014:

Lublin Coal Project is set to become a strategic new supply of coal in Europe...

Substantially De-risked



- Clear and exclusive pathway towards a mining concession
- Strong balance sheet: CD Capital investment agreement
- Proven coal basin: in operation for 34 years

Semi-Soft Coking Coal



- Benchmarked to European and Australian semi-soft coking coals
- Coking coal is on the EU's "Critical Raw Materials" list
- The EU currently imports 55mtpa of coking coal

Lowest Cash Costs into Key European Markets



- Highly favourable geology
- Next door to Europe's lowest cost coal mine
- Exceptional PFS results by applying modern mine design, technology and management approach

Strategic Location



- Located approx. 20 kilometres from Poland's national rail network
- Existing rail and port capacity for regional and export markets
- Regional supply / demand dynamics highly favourable

Cautionary Statements and Important Information

This presentation has been prepared as a summary only, and does not contain all information about Prairie's assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to Prairie's securities. The securities issued by Prairie are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future. Prairie does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this report. Recipients of this report should carefully consider whether the securities issued by Prairie are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

Forward Looking Statements

Some of the statements contained in this report are forward looking statements. Forward looking statements include but are not limited to, statements concerning estimates of coal tonnages, expected costs, statements relating to the continued advancement of Prairie's projects and other statements which are not historical facts. When used in this report, and on other published information of Prairie, the words such as "aim", "could", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Prairie believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward looking statements include the potential that Prairie's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by Prairie.

Competent Persons Statements

The information in this presentation that relates to the Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's announcements 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 Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr Stephen Newson, a Competent Person who is a Chartered Engineer and Fellow of the Institute of Materials, Minerals and Mining (UK) and has a 1st Class Mine Manager's Certificate of Competency. Mr Newson is employed by independent consultants Golder Associates (UK). Mr Newson 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'.

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, Coal Reserve, Production Target, and related forecast financial information derived from the Production Target 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.

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