Prairie Mining Limited

NEWS RELEASE | **23 January 2017**

PREMIUM QUALITY HARD COKING COAL CONFIRMED AT DEBIENSKO

HIGHLIGHTS:

- ***Following the acquisition of the fully permitted Debiensko Hard Coking Coal Project in October 2016, Prairie has recently received results from a fully cored borehole drilled at the Project***
- ***The results confirm historical data for the Project which indicate that Debienkso hosts a range of premium quality hard coking coals comparable to internationally traded benchmark coking coals***
- ***Given favourable regional supply and demand dynamics, coal of this quality will be in significant demand by steelmakers across Europe and attract premium pricing***
- ***Coking coal is classified by the European Commission as a "Critical Raw Material" and of the 80Mt of coking coal consumed in Europe per year, 80% is imported***
- ***A maiden JORC Resource Estimate for Debiensko will be announced in the coming weeks to support the Scoping Study mine plan which remains on track for completion during Q1 2017***

Prairie Mining Limited ("Prairie" or "Company") is pleased to announce the results of preliminary coal quality analysis from a borehole drilled at the Company's Debiensko Hard Coking Coal Project ("Debiensko" or the "Project") during 2015/2016 by the previous owners.

Prairie's preliminary review of the Debiensko deposit indicates that a range of premium hard coking coals can be produced from the Project that will be in high demand from European steelmakers. Two premium hard coking coal specifications have been delineated at Debiensko, namely Medium volatile matter hard coking coal ("**Mid-vol HCC**") and Low volatile matter hard coking coal ("**Low-vol HCC**").

The borehole was fully cored to 30 m below seam 407/4. All core was subject to detailed logging and core photography. Seam thicknesses and depths have been confirmed by a suite of geophysical logs while coal seams were analysed by accredited laboratories in Poland.

Prairie's CEO Mr. Ben Stoikovich said "*The excellent coking coal quality results from Debiensko further reinforce Prairie's potential to become a key premium hard coking coal supplier to European steelmakers. These initial results confirm that the Debiensko deposit hosts premium coking coals of comparable quality to internationally traded benchmark hard coking coals, and will achieve premium pricing in the market. As we continue to rapidly advance our assessment of Debiensko, we look forward to announcing the Project's maiden JORC Resource Estimate and subsequent Scoping Study results in the coming weeks*."

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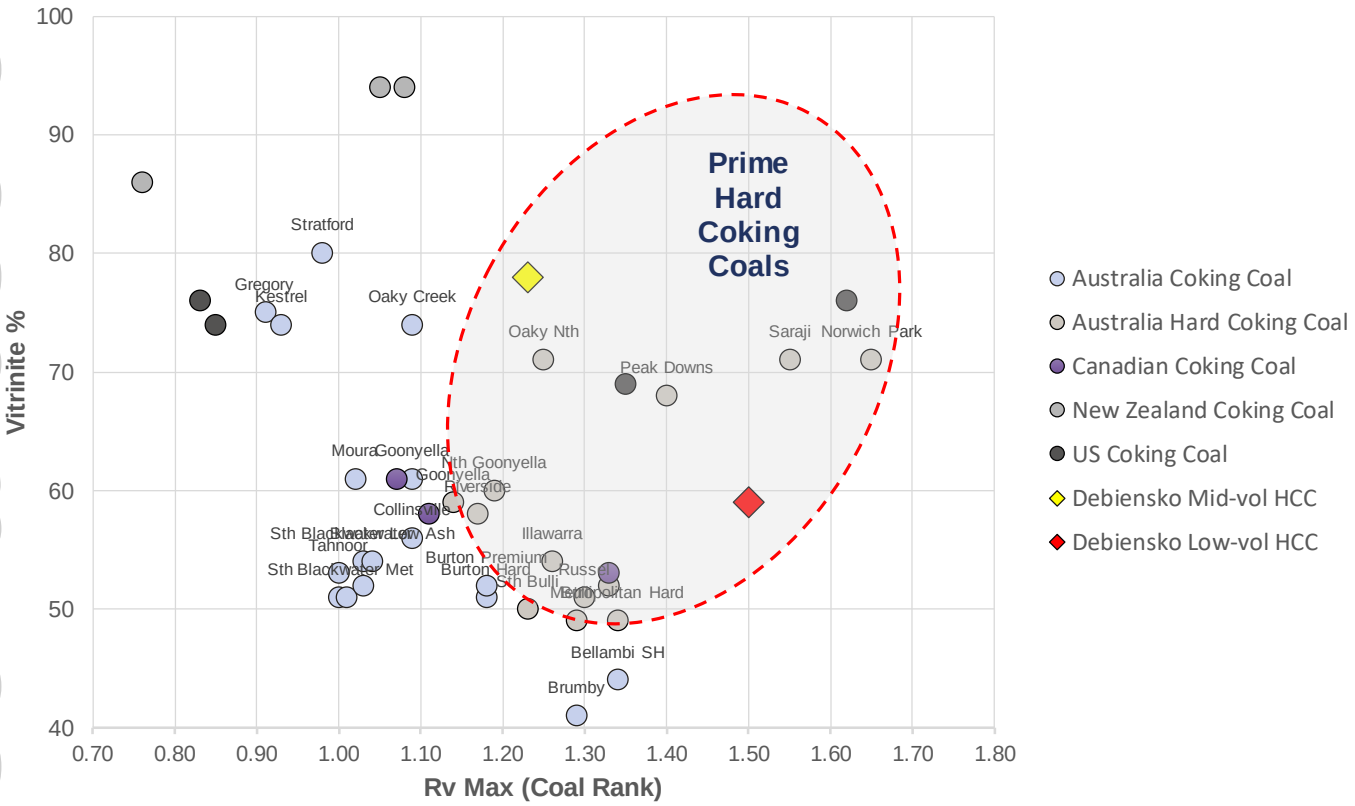
Debiensko Premium Hard Coking Coal Benchmarking

Both Debiensko's Mid-vol and Low-vol HCC lie within the range of premium hard coking coals produced globally. Indications are that the Mid-vol HCC at Debiensko is present between 850 m to 1,000 m from surface and the Low-vol HCC is present 1,000 m to 1,300 m below surface i.e. at depths similar to adjacent operating mines owned by Jastrzębska Spółka Węglowa S.A. ("JSW") - the largest coking coal producer in Europe.



Source: Industry Reports

Figure 1 – Premium Coking Coals

Medium Volatile Matter Hard Coking Coal

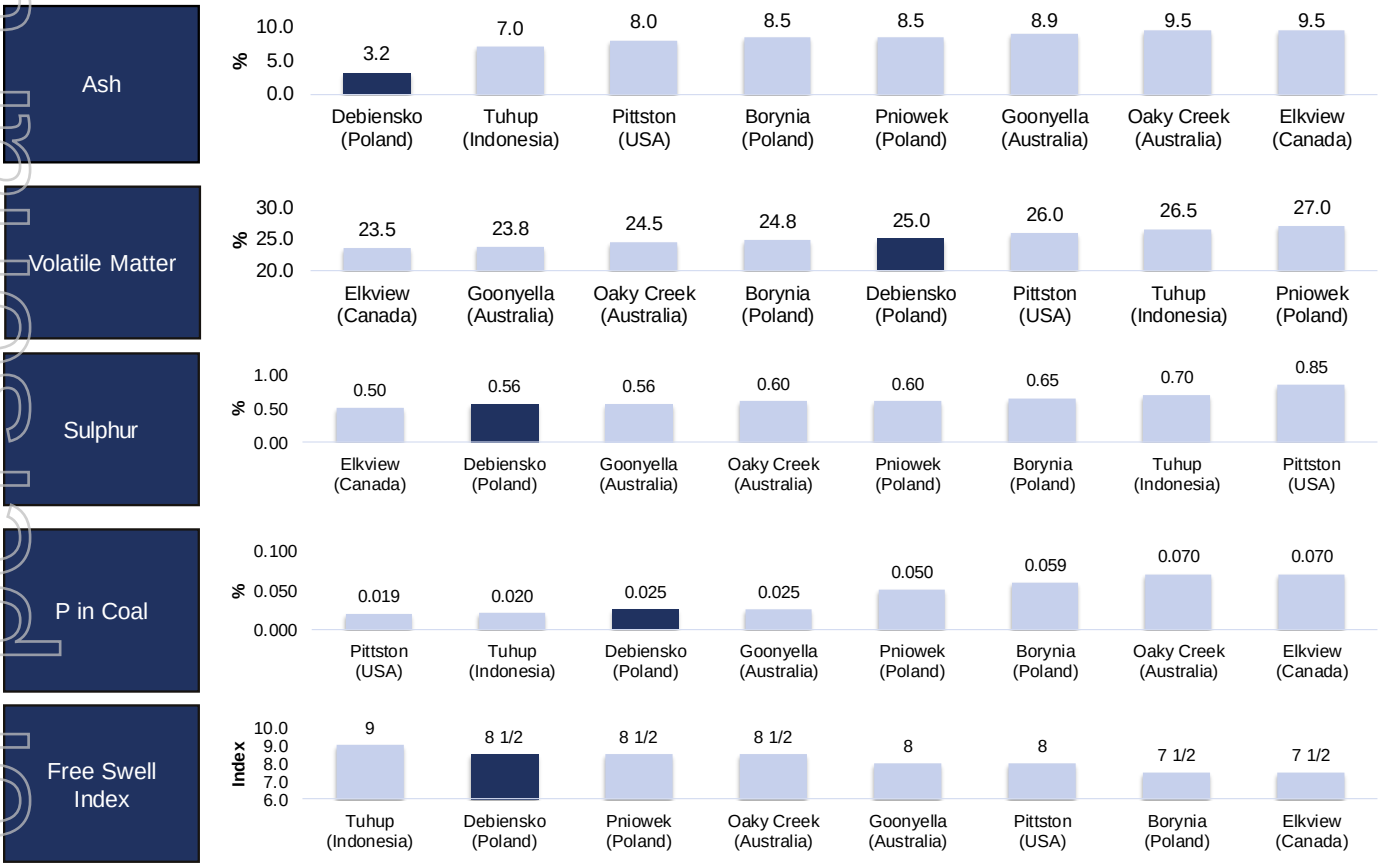
The quality of Mid-vol HCC from Debienkso compares favourably with the Australian Goonyella hard coking coal brand, and with medium volatile coals produced in Poland today by JSW. This coal features good rheological properties and coke yield, with reasonably low sulphur levels. Prairie's assessment is that Mid-vol HCC from the Debiensko project would receive premium pricing in European and international markets.

Table 1: Debiensko Medium Volatile Matter Hard Coking Coal Comparison to International Benchmarks

Quality	Debiensko* (Poland)	Goonyella (Australia)	Oaky Creek (Australia)	Elkview (Canada)	Tuhup (Indonesia)	Pittston (USA)	Borynia-JSW (Poland)	Pniowek-JSW (Poland)
Ash (%)	3.2	8.9	9.5	9.5	7.0	8.0	8.5	8.5
Volatile Matter (%)	25.0	23.8	24.5	23.5	26.5	26.0	24.8	27.0
Sulphur (%)	0.56	0.56	0.60	0.50	0.70	0.85	0.65	0.60

Table 1: Debiensko Medium Volatile Matter Hard Coking Coal Comparison to International Benchmarks								
Quality	**Debiensko* (Poland)**	**Goonyella (Australia)**	**Oaky Creek (Australia)**	**Elkview (Canada)**	**Tuhup (Indonesia)**	**Pittston (USA)**	**Borynia-JSW (Poland)**	**Pniowek-JSW (Poland)**
Phosphorous (P) in Coal (%)	0.025	0.025	0.070	0.07	0.02	0.019	0.059	0.050
Free Swelling Index (FSI)	8½	8	8½	7½	9	8	7½	8½
CSR (%)	63	66	67	70	60	-	-	-
Fluidity (ddpm)	1200	1100	5000	150	450	-	up to 2300	up to 3000
C daf (%)	86	88.4	86.8	81.2	-	88.0	-	-
Rv Max	1.23	1.17	1.10	1.22	1.18	1.10	1.20	1.10
Vitrinite (%)	78	58	75	55	96	76	-	-

** Indicative quality Debiensko Mid-vol HCC from washed sample from 401/1 seam at floats <1.40kg/m3*

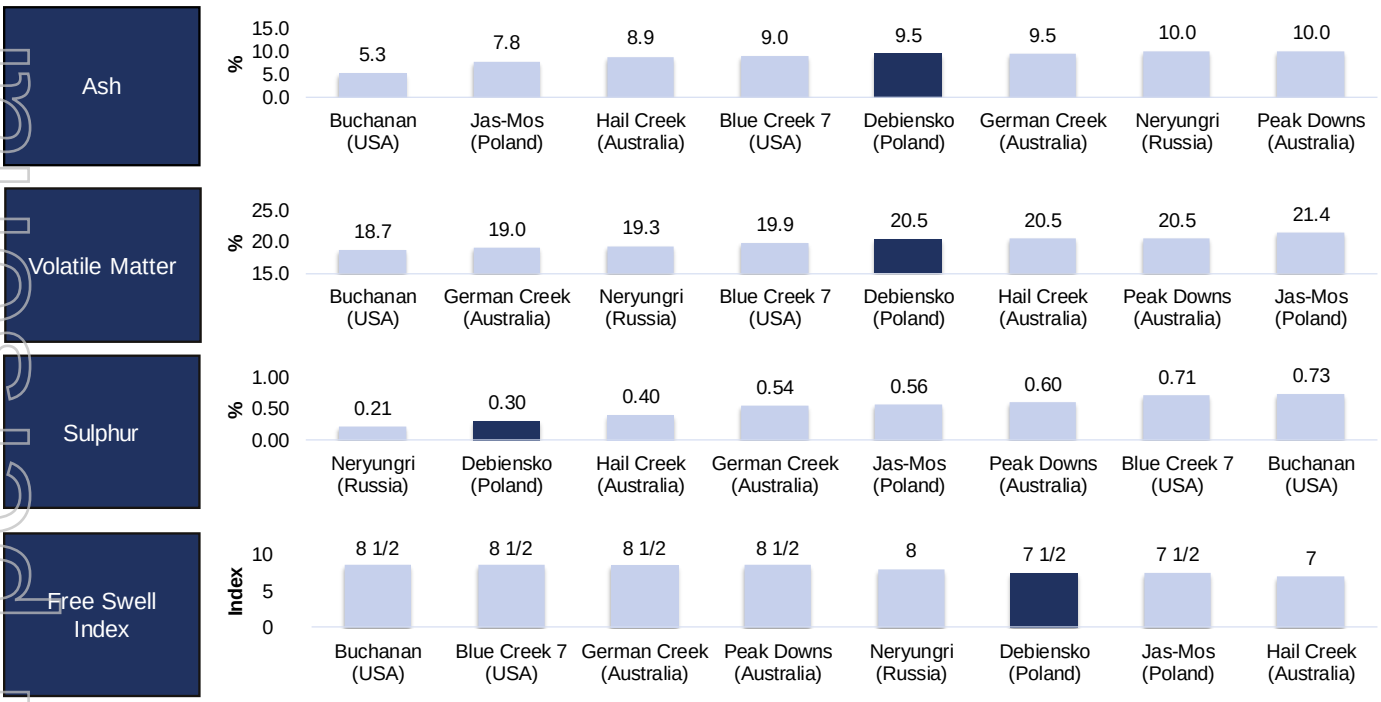


Low Volatile Matter Hard Coking Coal

Debiensko's Low-vol HCC is similar to other internationally traded low volatile matter hard coking coals, including brands such as Peak Downs (BHP Billiton Mitsubishi Alliance – BMA) and Hail Creek (Rio Tinto) produced in Australia. Whilst the Coke Strength after Reaction (CSR) is anticipated to be slightly lower than these Australian coals, the quality of Debiensko Low-vol HCC is anticipated to be in-line with coal produced at JSW's Jas-Mos mine in Poland, which is used as a stabilizing and leaning component of nearly every coal blend for production of blast furnace coke in the region.

Table 2: Debiensko Low Volatile Matter Hard Coking Coal Comparison to International Benchmarks								
Quality	**Debiensko* (Poland)**	**Peak Downs (Australia)**	**German Creek (Australia)**	**Hail Creek (Australia)**	**Blue Creek - No.7 (USA)**	**Buchanan (USA)**	**Neryungri (Russia)**	**Jas-Mos (Poland)**
Ash (%)	9.5	10.0	9.5	8.9	9.0	5.3	10.0	7.8
Volatile Matter (%)	20.5	20.5	19.0	20.5	19.9	18.7	19.3	21.4
Sulphur (%)	0.30	0.60	0.54	0.4	0.71	0.73	0.21	0.56
Free Swelling Index	7½	8½	8½	7	8½	8½	8	7½
Fluidity (ddpm)	128	275	400	300l	1113	100	18	200
C daf (%)	80	89.1	88.6	88.2	91	-	80.8	-
Rv Max	1.5	1.40	1.45	1.26	1.48	1.63	1.50	1.40
Vitrinite (%)	59	68	73	54	70	76	81	-

**Indicative quality Debiensko Low-vol HCC from unwashed sample from 404/9 seam*



EUROPEAN HARD COKING COAL MARKET

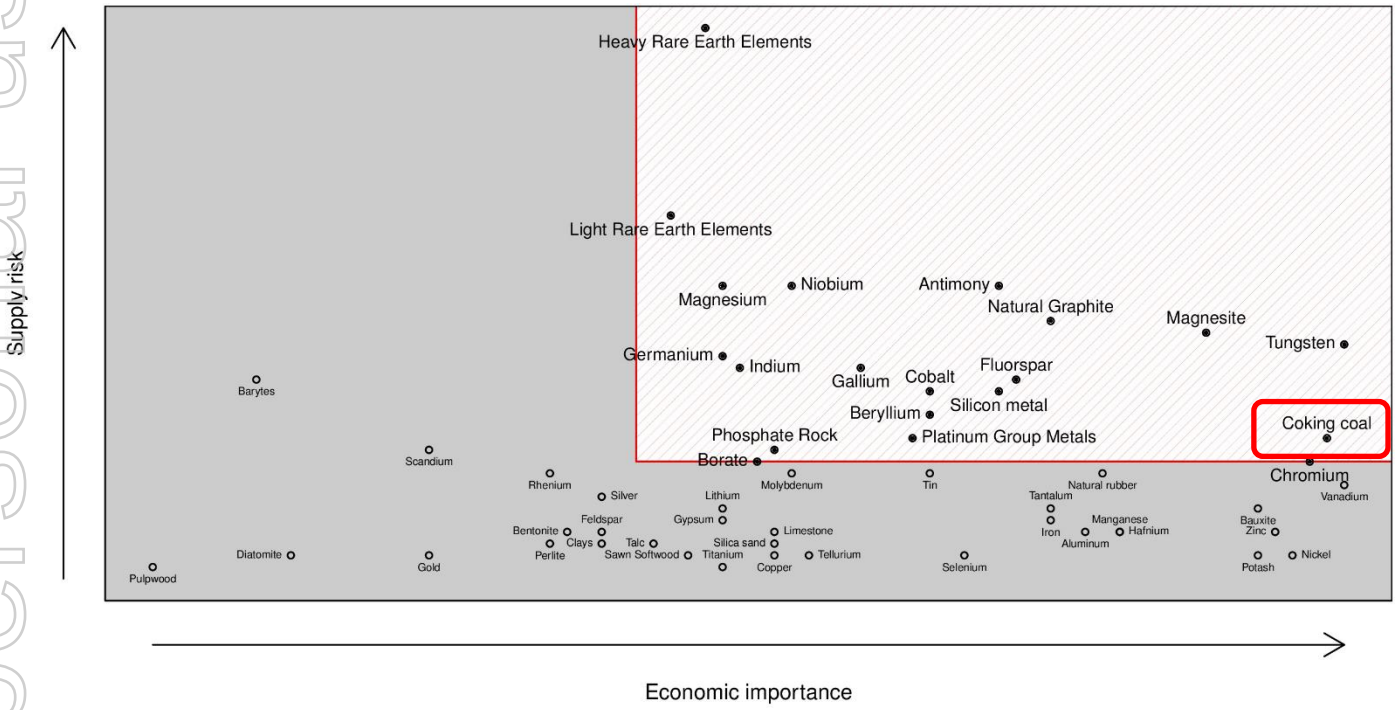
European industry relies on imports for approximately 80% of its coking coal needs - the highest quality of which, hard coking coal, is the type of coal found at Debiensko.

In 2010 and 2014, the European Commission ("**EC**") carried out an assessment at the European Union ("**EU**") level to identify "Critical Raw Materials" based on:

- **Economic importance** – the proportion of each material associated with industrial megasectors, such as construction, combined with its gross value added to EU GDP to define the overall economic importance of a material.

- **Supply risk** – based on accountability, political stability, regulatory quality etc.

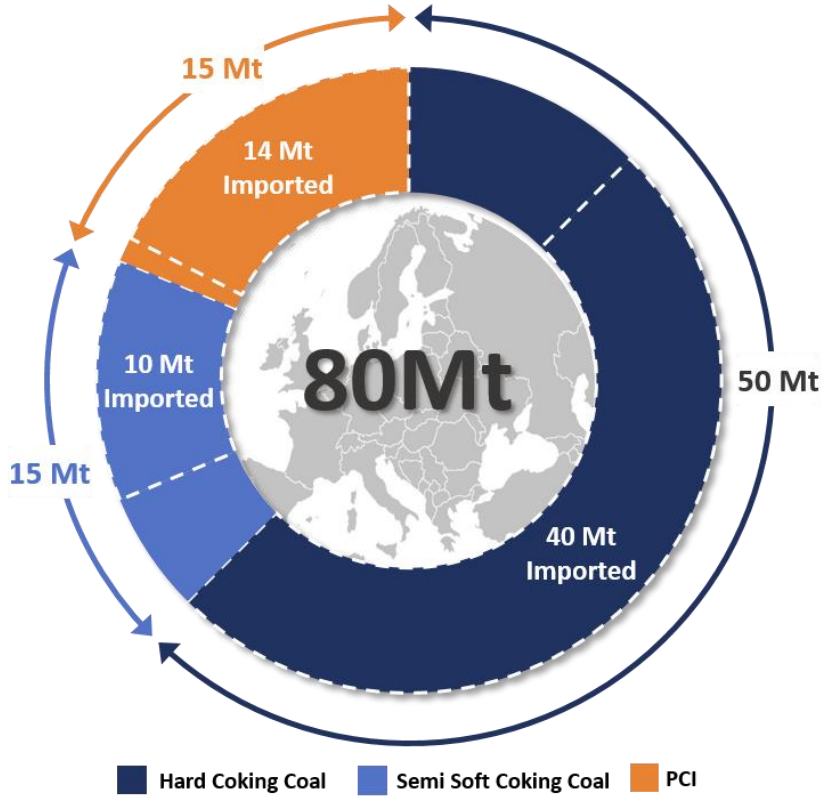
The EC concluded that coking coal is a critical raw material for Europe with its economic importance to the continent only surpassed by tungsten and vanadium.



Source: European Commission

Figure 2 – European Commission Raw Material Criticality Assessment

In 2015 Europe consumed a total of 80 Mt of coking coal, of which 50 Mt was hard coking coal. Europe relies heavily on imports of coking coal primarily from the USA, Australia and Russia. Poland and the Czech Republic are the only European producers, however their domestic production is in rapid decline. In 2015, 64 Mt (i.e. 80%) of total European coking coal consumption was imported, including 40 Mt of hard coking coal and 10Mt of semi-soft coking coal.



Source: Industry Reports

Figure 3 – European Coking Coal Supply / Demand Fundamentals

Central Europe – which encompasses Poland, the Czech Republic, Slovakia, Hungary, Austria and Germany – accounts for approximately 50% of European coking coal consumption. In 2015, these countries consumed over 25 Mt of hard coking coal of which over 15 Mt was imported.

Regional Market

Debiensko's strategically competitive location means that about half of Central Europe's coking plants and steelmaking capacity is within 250 km of the Project and connected by existing road and rail infrastructure.

With a well-established rail network providing ease of transport to end users based in close proximity to Debiensko, Prairie will benefit from a significant pricing "netback" advantage over USA and Australian imported hard coking coal.

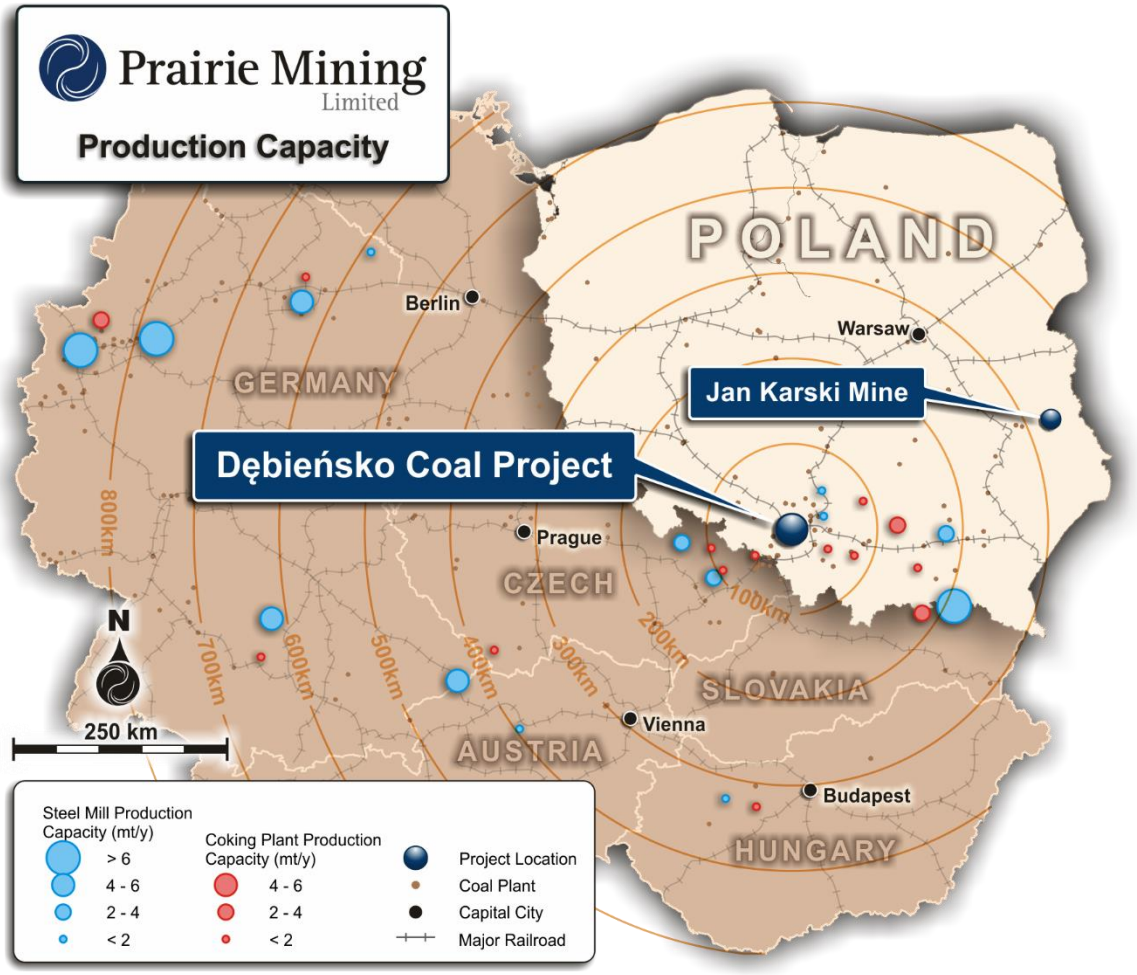


Figure 4 – European Coking Coal Supply / Demand Fundamentals

- **Poland** – the main steel plants producing coke are Huta Czestochowa owned by ISD and situated in Czestochowa, producing ~0.6 Mtpa coke and Tadeusza Sendzimira, situated in Cracow, with a capacity of ~1.4 Mtpa coke. ArcelorMittal owns the Zdziesowice coke plant, the largest in Europe with a total coke capacity of 4.2 Mtpa. JSW owns the coking plants Debiensko, Radlin and Jadwiga and the Przyjazn merchant coke plant with a total capacity of some 4 Mtpa coke.
- **Czech Republic** – the largest exporter of coking coal in the region is NWR's Czech subsidiary, OKD a.s. ("**OKD**"), which is now subject to insolvency proceedings and where coking coal production is estimated to cease by 2023.
- **Slovakia** – hosts US Steel's Kosice works which has a coke capacity of 1.7 Mtpa i.e. coking coal requirement of 2.4 Mtpa.
- **Hungary** – hosts one integrated steelmaker, Dunaferr, situated at Dunaujvavos which requires 1.4 Mtpa coking coal to meet its coke output capacity of ~1.0 Mtpa. The plant is currently supplied by Poland, the Czech Republic and Russia.
- **Austria** – has one major integrated steelmaker, Voestalpine, which operates one coke oven plant located at Linz and has an annual output capacity of 2.1 Mtpa coke implying a coking coal consumption rate of production is 3 Mtpa. The plant secures rail-delivered supply from Poland, the Czech Republic and Russia.
- **Germany** – is the largest market for coking coal in Europe with current consumption of coking coal amounting to ~15 Mtpa.

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ABOUT THE DEBIENSKO HARD COKING COAL PROJECT

Debiensko is a world class, fully permitted, hard coking coal project located in the Upper Silesian region of Poland in the heartland of the European steelmaking industry. More than 80% of coking coal usage of the European steel making industry is currently imported and the commodity is classified by the European Commission as a "Critical Raw Material".

A large scale Coal Exploration Target has been estimated based on historical drilling and resource work completed to Polish standards, as well as data from adjacent operating mines.

Table 3: Exploration Target Range

Depth*				**Exploration Target Tonnage Range (Mt)**	
All seams to depth approx. 1,100 m				120 Mt – 150 Mt	
Depth 1,100 – 1,250 m				90 Mt – 110 Mt	
Total				**210 Mt – 260 Mt****	
Quality***	**Moisture**	**Ash**	**Volatile Matter**	**Sulphur**	**FSI**
Weighted Average Whole Exploration Target Range (+/-20%)	0.7 – 1.1%	6.3 – 9.5%	18.1 – 27.1%	0.6 – 0.8%	5½ – 8

*Depths are from surface – c250 m above datum
**Figures are reported to the nearest 10 Mt which is deemed appropriate for this level of estimation
***Figures are reported to one decimal place which is deemed appropriate for this level of estimation
The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Debiensko is fully permitted with a 50-year mining concession, established on-site facilities including rail, road and power infrastructure, comprehensive historical drilling data and all environmental consents. As a brownfield development project with significant historical capital investment Debiensko is positioned to become a meaningful, regional hard coking coal producer in the near-term.

Revised Development Approach

Following detailed technical due diligence conducted by Prairie, the Company is confident that a revised development approach would allow for the early mining of profitable coal seams, whilst minimising upfront capital costs.

This is likely to include focusing on a limited area of Debiensko to target coal seams that are the most readily accessible. Prairie has proven expertise in defining commercially robust projects and applying international standards in Poland.

Prairie has reported an Exploration Target for this target area in accordance with the JORC Code (2012).

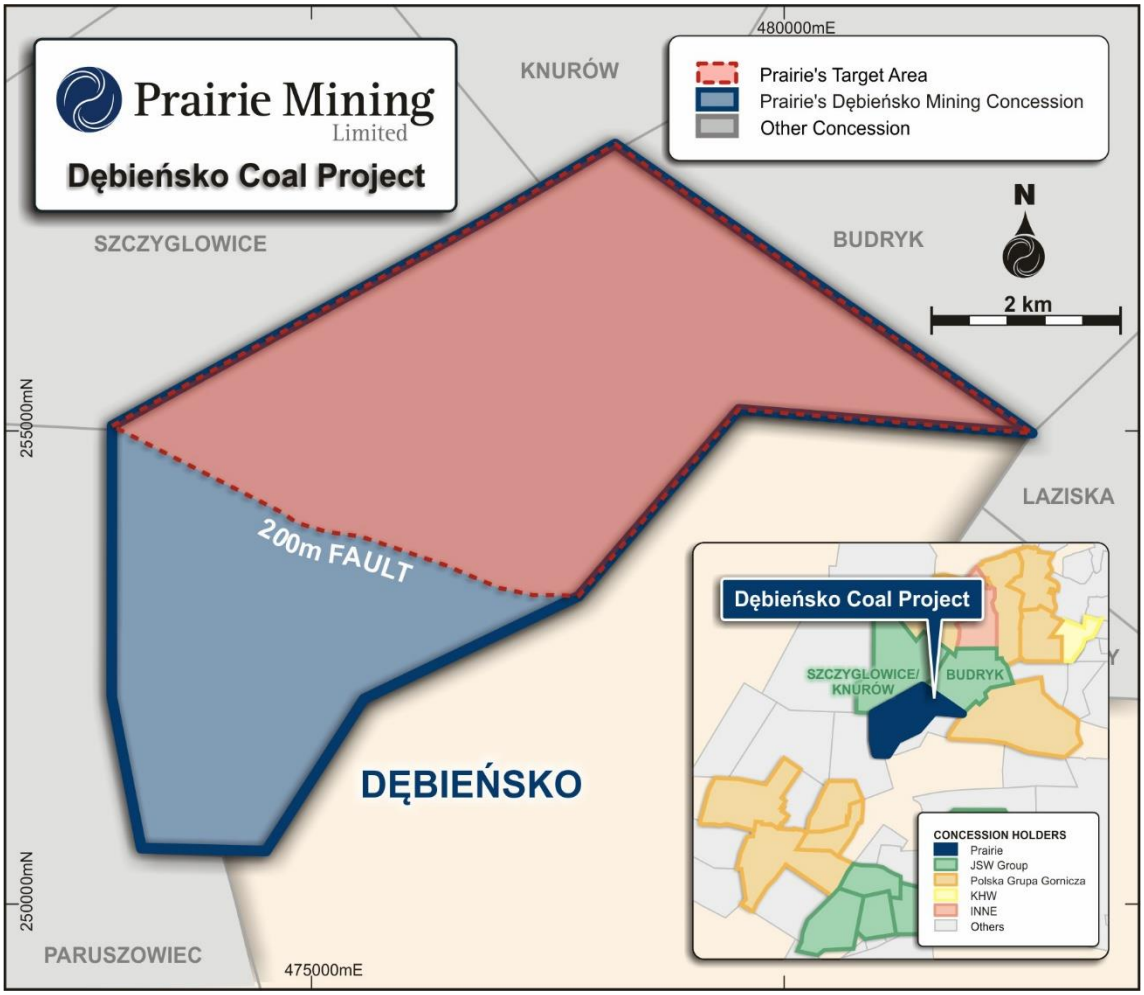

Figure 5 – Debiensko Project Licence and Target Area

Infrastructure

As part of the transaction, Prairie has acquired approximately 15Ha of land and all related facilities critical to the development of the Project. Significant historical capital investment positions Debiensko to become a meaningful regional hard coking coal producer in the near term.

Figure 6 – Aerial view of the Debiensko Mine Site

Figure 7 – Rail Yard next to Debiensko

With existing site facilities and necessary infrastructure including power, water, rail and road in addition to the mining concession, environmental consent and local planning all being in place, the Project is considered “development-ready”.

The Debiensko mine was previously connected to the main Polish rail network and a currently inactive railway siding is still in place and in sound condition. Poland is served by ~23,420 kilometres (14,550 mi) of railway tracks using standard international gauge, and provides rail connections to major regional end users of coking coal and for export. Further, asphalt roads surround and connect the Debiensko mine site to the major road network.

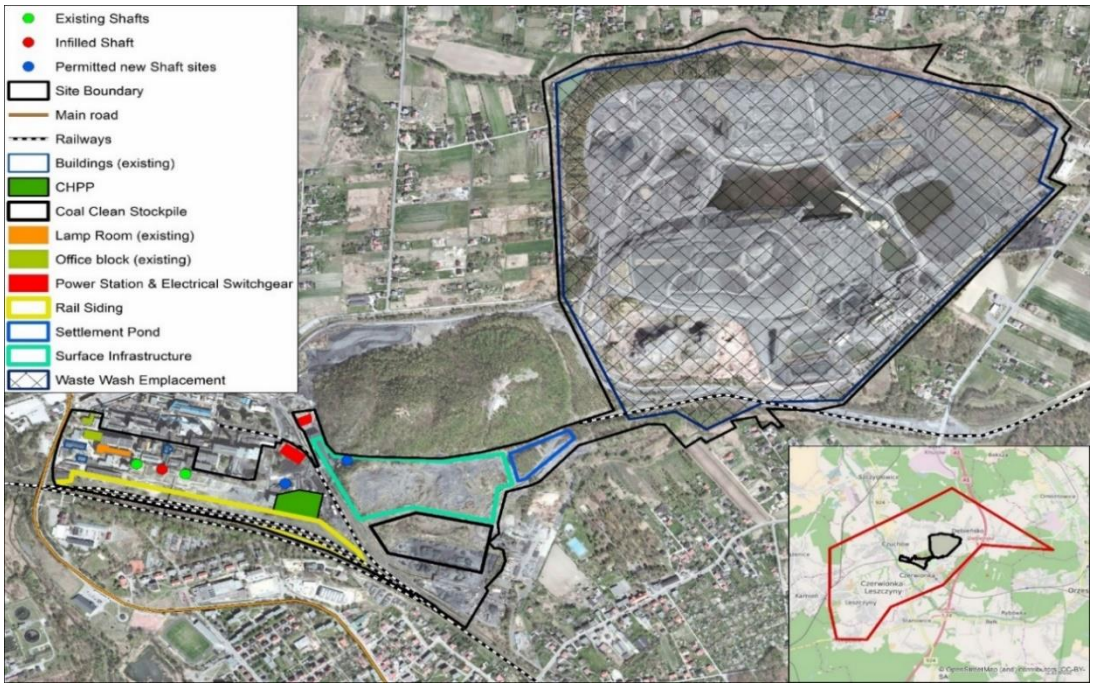

Figure 8 – Existing Site Facilities and Infrastructure

Appendix – Coal Quality & Exploration Target Additional Information

Sources of Information

Seam thicknesses and depths are derived from the historical borehole cards (strip logs), overlying and adjacent mine workings and the New World Resources Karbonia ("NWRK") database. Information on seam quality is taken from the official Polish Government approved "Geological Documentation", which was approved by the State in 2009. There are 9 deep boreholes within the concession. In addition data from 15 boreholes and mine workings in the surrounding area have been used in the model. Co-ordinates are in Poland 2000, zone 6 system.

Site Visits

The site was visited by the Competent Person and other members of the Prairie Team on 6 September 2016.

Topography, Elevation, Vegetation and Climate

The Upper Silesian Coal Basin is located in the south-western part of Poland and towards the border with the Czech Republic. The concessions are located in a relatively flat-lying area at elevations of between 230 – 320 mASL (metres above sea level). The Bierawka River flows northwards through the area eventually joining the Odra River.

The dominant land use comprises of arable land and partly forested areas with mature and immature trees making up some 80% of the area. The remaining area is largely rural housing with small villages and industrial/post-industrial (mining) development.

The climate in Poland is influenced by both European maritime and Eastern Europe continental air masses. The region in the south west of Poland can be categorised as having a cool continental climate. The warmest months are from May to September, with temperatures ranging 10^0C to 25^0C. The coldest months are usually from November to March with temperatures in the range 7^0C to -7^0C.

History of Exploration

The Upper Silesian Coal Basin has a long history of exploration and exploitation with work starting in the 18th Century culminating with the drilling of nine deep boreholes between 1982 and 1989. Within the Debiensko Licence area the upper coals in the Upper 300 Series have been extensively worked providing good structural control.

Historical Tonnage Estimates

The area was assessed in the Geological Documentation carried out in 2009 under the official Polish system for seams 401 to 410 to a depth of 1,400 m. More recently in 2014 and 2015, the previous owner also delineated resource and reserve estimates for the Debiensko deposit based on the historical Polish Government approved Geological Documentation. However, Prairie has opted to estimate tonnages for a smaller area of the Debiensko Project that has the potential to be more readily accessible for early mining.

Geological Setting and Coal Seams

The Debiensko Licence area is situated in The Upper Silesian Coal Basin which contains a thick, up to 8,500 m, sequence of Upper Carboniferous sediments. These have been subject to folding and faulting during the Variscan Orogeny. The upper surface of the Carboniferous sediments now forms an angular unconformity overlain by strata with ages varying from Permian to Quaternary. Igneous intrusions occur in some parts of the Basin but are not known in the area of Debiensko.

The sediments of the 400 Series are mudstone/claystone/siltstone dominated with occasional fine to medium grained sandstones from a few to several 10s of metres in thickness. Seam roofs and floors are generally mudstone/claystone. There are over 30 seams within the series varying from a few centimetres to several metres in thickness. This Estimation has focussed on 16 of the thicker and more laterally consistent seams.

Structural Geology

The structure of the Coal Measures within the Debiensko licence is generally well known from overworking, the seams dip south east at 2 to 15 degrees.

Assessment of Coal Seams

Geological modelling

GEOVIA MINEX™ modelling software was used to undertake modelling as it is particularly adept at modelling stratiform deposits such as coal. The model was based on the NWRK database which contains all necessary borehole data (collar location, seam depth and thickness, coal quality data). Prairie has conducted spot checks on the data base to ensure data veracity. 3D modelling procedure was conducted in following stages: 1. Raw data loading and validation; 2.Interpolation of borehole data; 3. Seam structure and coal quality modelling; 4. Fault modelling (3D faulting with various throws); 5. Final model validation; 6. Target estimation. For basic modelling fault location and throw was adopted from latest deposit documentation. The basic Minex model provides information relating to coal extent, quality and quantity and allows a Resource to be reliably estimated.

Constraints/Cut Offs

For the estimation of the Exploration Target the following constraints have been used –

- a minimum clean coal seam thickness of 1 m
- depth cut off at c 1,250 m
- exclusion pillar under Czerwlonka-Leszczyny
- coal to the south of the Belski Fault (200 m downthrow south) has been excluded
- Seams designated Polish Type 36 (meta coking coal) have been excluded

Future Exploration

Prairie Mining has programmed to drill up to five additional boreholes (including a shaft centreline borehole) to improve confidence in seam continuity and confirm quality. Prairie Mining will also conduct a full review and verification of the data and seam correlations.

Borehole Co-ordinates

X=5558104, Y 6547885, Z = +249.5 m

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 information in this announcement that relates to Exploration Results and Exploration Targets is based on, and fairly represents information compiled or reviewed by Mr Jonathan O'Dell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Dell is a full time consultant of the Company. Mr O'Dell has sufficient experience that 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'. Mr O'Dell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• There are 25 boreholes within the licence and surrounding area. Twenty of these were drilled in the period from 1954 to 1988 with the remaining four dating from a much earlier period. Of these 18 boreholes penetrate all, or part of the 400 Series Coals subject to this assessment. A shaft geotechnical borehole, Debiensko 12 (D 12) was drilled in 2015/2016 and fully cored to 1,303 m depth, approximately 29 m below seam 407/4. • Seam thicknesses have been verified from geophysical logs (Gamma, Density) with the exception of Boreholes Szyb Jan III and Szczyglowice III. Data from these boreholes has not been used in the estimation. • Coal cores were taken from continuous cores in the Carboniferous sections of the boreholes. • Assessment of coal quality and type is based on the results of laboratory tests of the coal samples taken from the borehole cores. • All seams equal to, or thicker than 0.40 m were analysed. • Dirt (rock) partings in-seam less than 0.05 m were included in the coal sample and analysed with the coal. • Dirt partings equal to, or thicker than 0.05 m were not analysed. • Average core yield in the historical set used for estimation was variable but deemed fit for purpose in the context of the adjacent workings and efforts have been made to remove anomalous data based on low recoveries. • All chemical analyses of coal samples were performed by the Analytical Tests Department of Katowice Geological Enterprise. • Coal cores from Debiensko 12 were tested at The Glowny Instytut Gornictwa (GIG) and at The Centralne Laboratorium Pomiarowo Badawcze (CLPB) during 2016.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other*	• The boreholes comprised a combination of open hole and rotary core drilling with continuous coring in the in the coal measure strata. The drilling was carried out by companies from Katowice and Kielce using

Criteria	JORC Code explanation	Commentary
	type, whether core is oriented and if so, by what method, etc).	OP-1200 and ZIF-1200 drilling rigs. • Core diameters were mostly 85 mm(PQ) or larger and rarely down to 47.4 mm. • Borehole D 12 was drilled PQ using a double wall core barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• During the drilling of the boreholes coal samples were collected from the drill core using methods that were standard for the coal industry in Poland. • Core recovery was determined for the coal samples by measuring the lengths of recovered core and weighing broken/fragmentary core and calculating length to provide an overall recovery length and percentage as compared to the drilling depths. Final checks are provided by comparison with thicknesses determined from the suite of geophysical logs. • Core recoveries were recorded for each core run and for individual seams. • There is no known relationship between recovery and quality.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The cores have been logged and analysed in sufficient detail to support the Resource Assessment. Cores were analysed by laboratories certified to Polish National Standards and the results are considered fit for purpose. • Detailed borehole records are presented in the “Borehole Documentation” which contains the written description, graphic log (borehole card) and details of analyses and interpretations, including the final accepted seam thicknesses. • For borehole D12 additional data of photographs of all core and 3 D scans of intact core are available.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Due to the historic nature of the drilling sampling techniques are not known in detail. However, the available documentation indicates that these will have followed industry standards which are generally considered to be fit for purpose. Cores were not split but sampled as whole core. As noted above, in-seam partings thicker than 0.05 m were not sampled and analysed. • Detailed core recovery measurements were made allowing assessment of the representative nature of the core analysed. Quality

Criteria	JORC Code explanation	Commentary
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	control procedures relating to other aspects of the analysis are unknown due to the historic nature of the data. • Borehole D12 coal cores were cleaned, measured, described and photographed before being sealed in plastic and sent to the laboratories for analysis.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory procedures were to the standard industry practices of the time. These are generally considered to be rigorous and uniform. • Geophysical logs used in the boreholes include natural gamma, neutron gamma, density (gamma gamma), resistivity and caliper logs. These are of sufficient quality to be used for quantitative (i.e. seam thickness) determinations. • Boreholes Szyb Jan III and Szczyglowice III have no geophysical logs and the results have been excluded from the database used for modeling. • Due to the historical nature of the drilling and sampling, no information is available on whether QA/QC procedures were employed during sampling and testing.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geological supervision over all historic drilling works was performed by employees of the Geological Survey Company from Kielce. • The Geological Survey Company also performed detailed core logging and sampling for macro-flora and macro-fauna examination. • Twinned boreholes were not used. • Primary data is held as hard copy (laboratory certificates etc.) and this has been transferred to electronic spreadsheets by NWRK's Polish consultants KPG and subsequently verified by Prairie Mining. • No adjustments have been made to assay data. • Borehole D 12 drilling was carried out by PPI Chrobok S. A. and geological supervision and logging by Graft Sp. z.o.o.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Original data was believed to have been on mixture of local grid data and Poland CS92 grid system however collar positions have been converted to Poland CS2000, zone 6 grid system. • Detailed topographic maps are available.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing of boreholes is shown on the attached drawings (eg, in the order of 1.2 to 2.7 km), which is considered sufficient to support the Resource Assessment due to the structural control and seam continuity demonstrated by overworking and current workings in adjacent collieries. • Almost complete structural information is available for Zone A, projected from workings in multiple seams of the 300 Series coals above. • In seams where analysis was made for more than one ply the samples have been composited using weighted averages. • In cases were seams contain dirt partings that have not been analysed, dummy values for that parting have been used in the current estimation to compile a weighted average quality for that seam. No other adjustments have been made to the data
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The boreholes are nominally vertical and the coal seams have low to moderate dip and relatively simple structure and so there is no structural or orientation bias to the sampling.
Sample security	• *The measures taken to ensure sample security.*	• No sample security information exists in the documentation available to review sample security measures which may have taken place during drilling. However, sampling protocols existing at the time are considered to be rigorous and fit for purpose.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Historical sampling and data handling techniques were prescriptive and are considered fit for purpose.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Prairie Mining entered into transaction in October 2016 and is now the beneficial owner of 100% of the shares of NWR Karbonia SA ("NWRK"). NWRK was incorporated on 28 February 2011 in the form of Joint Stock Company (spółka akcyjna), as a legal successor of NWR Karbonia Sp. z o.o. and earlier Karbonia PL Sp. z .o. NWRK's Mining License was issued on 24 June 2008 by the vice Minister of Environment for a period of 50 years and enables conducting mining operations in seams 401/1 to 410. With regard to the mining, Dębieńsko falls within the control of the Regional Mining Authority in Rybnik. The approved co-ordinates for the area are given in the main body of the report
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• With the exception of the shaft borehole D 12, drilled by NWRK in.2015 the exploration is historical in nature and is described in Section 1 above.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is a Carboniferous hard coal consisting of coal seams separated by units of mudstone and sandstone.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Borehole details are tabulated in the main body of the report.
		• Additional data includes paper copies of workings from adjacent mines, Szczyglowice and Knurow for Seams 401/1, 404/9 and 405.
		• Basic coal analyses for workings in Seam 401/1 at Debiensko
		• Detailed mine plans for the overworkings in the 300 Series coals (digitised)

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Coal seams have normally been sampled as one continuous sample. Where the seam has been sampled as two or more plies the sample results have been combined as simple weighted averages. Dirt

Criteria	JORC Code explanation	Commentary
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	partings of 5 cm in thickness or less have been sampled with the coal. Partings thicker than 5 cm were not analysed • No cut off qualities have been used in this assessment.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The boreholes are nominally vertical and the coal seams form part of a stratiform deposit dipping at 2 – 15 degrees. • Intercept lengths used in the model are drill intercept lengths which have been modelled in 3D removing the need to calculate the true thickness. (Note that thicknesses shown on the Polish documentation have been corrected for dip)
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in main body of report
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Prairie Mining intends to perform additional drilling to decrease the separation of points of observation and upgrade areas of the deposit to Measured status