**Investment Highlights**

**Massive, Untapped, First World Resource Base**
- 1.6Bt Inferred Maiden Coal Resource recently announced
- 680Mt in the largest three of the 20 modelled coal seams
- Located in an EU member country with an excellent fiscal regime for coal

**Premium Quality Thermal Coal Potential**
- 6,900kcal/kg 391 Seam
- 6,400kcal/kg GAD, 12% Ash raw/unwashed coal quality on a weighted average across all 20 modelled seams
- Potentially a premium quality coal to what is the standard benchmark in ARA and the Baltic sea

**High Productivity/High Capacity Region**
- Adjacent to one of the most productive, high capacity longwall ploughs in the world – +5mtpa ROM from a single face
- Provides reliable benchmarks for both operating and capital costs when completing our studies

**Strategic European Supply Position**
- Lublin Basin is positioned to be one of the largest, low delivered cost supplier of premium thermal coal into the European and Eurasian market
- Delivered market advantage when compared with international peers in South Africa, Colombia, USA and Russia who supply into the EU market

**Leveraged Enterprise Value**
- ~A$15m of cash and listed shares (10 million shares in Papillion Resources Limited (ASX: PIR)) provide access to a strong working capital position
- Market capitalisation of A$35 million and EV of ~A$20 million
- Low EV/tonne of 1.7 cents
**Coal – Fundamental to the EU Energy Matrix**

During 2012 Europe consumed over 772 million tonnes of coal, 675 million tonnes of which was for power generation. European countries imported over 150mt of thermal coal in 2012, accounting for 22% of global seaborne thermal coal imports...

### 2012 European Union Thermal Coal Consumption

*Source: Eurocoal*

<table>
<thead>
<tr>
<th>Thermal Coal Imports</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>33.4</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>19.2</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>19.0</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>10.0</td>
<td>151.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>53.5</td>
<td></td>
</tr>
</tbody>
</table>

| EU Thermal Coal Production |          | 90.8     |

| EU Lignite Production      |          | 433.2    |

| Total                      |          | 675.5    |

**2012 European Source of Thermal Coal Imports**

*Source: Deutsche Bank Analysis*
A true need for a new European coal supply basin...

- Poland is the number one EU hard coal producer & seventh largest globally at ~75mtpa; it is viewed as a pro-coal nation.

- European hard and lignite coal production for power generation has been on an decreasing trend.

- Traditional basins in Europe including coal basins in Germany, UK and Poland that have been operating for hundreds of years are becoming too technically complex and costly.

- Germany is expected to close all hard coal mines by 2018; affecting 18mtpa of hard coal production which will need to be imported.

- Poland has significantly decreased both hard coal and lignite production from 200+ mtpa in the early 90’s to ~140mtpa whilst still maintaining a high coal consumption.

- Employment in the coal industry has decreased from over 200,000 in the 90’s to ~110,000; providing for oversupply of labour for new mines.
Lublin Coal Basin - Poland

Located in a stable EU country with an excellent fiscal regime for coal...

- One of the most attractive fiscal regimes for coal
  - 19% corporate tax rate
  - 4PLN/t royalty (~US$1.2/t)

- The Company has been granted 18,200 hectare Coal Exploration Concessions by the Ministry of Environment ("MOE") in South East Poland
- Poland is the largest hard coal producer in the EU and is a key supplier of coal to its domestic market and neighbors
- Lublin Coal Basin is a relatively new basin only having been explored in the 1960’s-80’s with the first mine being developed in the late 1980’s and commissioned in 1992
- Historically coal production has been supplied from the Upper & Lower Silesian Basins but this production has been decreasing over the last decade due to increasing technical difficulties
- Poland is a first world country having gone through significant reform since the end of communism at the end of the 1980’s
Untapped, 1.6 Billion tonne inferred strategic resource of high quality thermal coal...

- Maiden Coal Resource defined from over 200 core holes with cut-off seam thickness of 1.0 meters, a 20 meter buffer zone between the Jurassic and over 20 coal seams modelled.

- Current drilling program and coal quality data is expected to yield increases to the category of the resource over the coming months.
Lublin Coal Basin is the strategic alternative for low cost European coal supply...
Lublin Coal Basin has a distinct advantage to European coal fired power plants over internationally imported coal as there is no requirement for seaborne freight, insurance and import discharge costs.

Lublin Coal Basin has the potential to maintain a position on the lower end of the delivered cash cost curve into Europe – leading to the maintenance of strong margins throughout all cycles.
“The Bogdanka mine ranks with the best deep coal mines in the world in terms of the absolute performance of its longwalls and development headings”, SRK Mining Consultants...

- Bogdanka is the blueprint for both the development and operation for the Lublin coal basin - it has been operational on a commercial scale since 1992
- Bogdanka supplies domestic and international utilities with its major customers including; Elektrownia Kozienice SA - ENEA SA Group, GDF Suez Energia SA, PGNIG Termika and Ostrołęka Power Plant.

1st Qtr 2013 Cash Mining Costs (Source: Company Filings, 3.26PLN/USD, 0.78EUR/USD)
Significant Large Scale Potential

680 Million tonnes of the current inferred Coal Resource is contained within 3 high quality coal seams...

- **391 Seam**
  - 327 Million tonnes
  - 8.4% Ash
  - 6,894 kcal/kg

- **379 Seam**
  - 190 Million tonnes
  - 14.1% Ash
  - 6,307 kcal/kg

- **382 Seam**
  - 163 Million tonnes
  - 13.3% Ash
  - 6,352 kcal/kg

- Potential to delineate a world scale deposit from only 3 seams which display excellent thermal coal quality characteristics
**Benchmark Quality Thermal Coals**

*Lublin Coal Basin has the potential for production of import benchmark thermal coals...*

<table>
<thead>
<tr>
<th>Coal Seam/Benchmark Comparison</th>
<th>Calorific Value (kcal/kg, GAD)</th>
<th>Ash (%)</th>
<th>Sulphur (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>API 2/CIF ARA Typical Specification</td>
<td>6,700</td>
<td>11.0-15.0</td>
<td>&lt;1.00</td>
</tr>
<tr>
<td>Seam 391 (Unwashed)</td>
<td>6,894</td>
<td>8.4</td>
<td>1.16</td>
</tr>
<tr>
<td>Seam 391, 382, 379 Average (Unwashed)</td>
<td>6,600</td>
<td>11.2</td>
<td>1.34</td>
</tr>
</tbody>
</table>

- Lublin basin alternative will provide a thermal coal with similar qualities as those supplied by imports i.e. no quality disadvantage is expected for Lublin coals.

- Coal seams generally display lower ash contents and equivalent or higher calorific values as compared to the benchmark, whilst sulphur tends to be slightly higher than the benchmark (can be blended out by the offtake party).

- Processing of the combined 391, 382 & 379 seams could lead to above benchmark coal specifications.
Favorable geology allows high productivity longwall mining...
Proven Plough Technology

World record setting plow technology deployed in the Lublin Coal Basin...

- Recommended technology for seam heights of <2.3 meters as compared to a traditional shearer longwall

- The basin has displayed the potential to be an ideal poster child for longwall plows with a world record set by Bogdanka of 24,900 tonnes in a single day from a single face!

Source: CAT website (Not Prairie’s equipment)
Based on Bogdanka’s current cash cost, new projects in the Lublin Coal Basin have strong potential to be in the lowest quartile of the cost curve for thermal coal delivered into Europe...

- Scope to lower costs even further in the basin through the utilisation of state of the art mine design and equipment

2013 CFR ARA Energy Adjusted Cash Costs Curve
(Source: Wood Mackenzie modified by Prairie to include Bogdanka, Total Cash Costs plus Freight to ARA, energy adjusted to 6,322kcal/kg)
Pathway to Production

**2013 - 2015**

- Complete the 7 PQ sized core hole drilling program over our exploration concessions

- Enhance our understanding of the coal resource, coal quality and coal washability characteristics from the results of the exploration concessions (update the geological data)

- Plan for additional coal exploration core holes to further define the resource to measured and indicated categories (JORC coal standards ahead of technical studies)

- Begin baseline data collection in the region

- Commence assessment of socio-economic and environmental impacts of the development of a new mine in the Lublin region
Complete a scoping study which conceptualises the different alternatives for a new mine development in the Lublin coal basin which fully utilises the resource.

Complete a pre-feasibility study which refines the best alternative mine developments which have been defined in the scoping study – this provides a detailed mine plan, processing, infrastructure requirements and project economics.

- Commence detailed marketing assessments of coal production with regard to future offtake partners.
- Complete the Environmental Assessment of the project with regard to the development plan outlined in the scoping and pre-feasibility studies and commence rezoning within the selected local councils (Gminas).
- Commence Community Consultation.
- Lodge Mine Concession Application.
Complete full bankable feasibility studies to provide enough detail to allow project financing through the global capital and debt markets

Marketing of the project to potential debt and equity providers

Complete offtake and/or Joint Venture agreements for the coal production from development

Finalise Government Approvals
Pathway to Production

Resource Definition & Environmental Studies

Technical Studies & Mine License Application

Bankable Feasibility & Funding

2016 +

Construction & Commissioning

- Board approval to commence construction
- Site preparation, civil works, foundations, etc
- Shaft sinking, surface facilities and Coal Handling and Preparation Plant (CHPP) Construction
- Large scale training and employment programmes
- Commissioning and Production
Board of Directors

Strong board with proven development experience in the small-cap resources sector…

Ben Stoikovich
Executive Director & CEO
- Highly respected, London based, mining engineer and investment banker; holds a NSW mine managers certificate of competency for underground coal mining with significant experience in longwall mining operations
- Previously held position as Director of Metals and Mining M&A for Standard Chartered Bank and has completed over $15.0 billion worth of mergers and acquisitions transactions, and a range of leveraged finance, project finance and corporate debt facilities for international mining companies

Ian Middlemas
Chairman
- Highly respected resource executive with extensive finance, commercial and capital markets experience
- Current Chairman of Papillion Resources Limited, Equatorial Resources Limited, Berkeley Resources Limited & former Chairman of Coalspur Mines Limited and Mantra Resources Limited

Anastasios Arima
Executive Director
- Founder & former Executive Director of Coalspur Mines Limited having been instrumental in developing Coalspur from a A$3 million market capitalisation to a A$1.2 billion market capitalisation company upon his departure

John Welborn
Director
- Current Managing Director of Equatorial Resources Limited (ASX: EQX) and previously a senior executive at Investec

Mark Pearce
Director
- Current director of a number of ASX listed companies including Equatorial Resources Limited and Sovereign Metals Limited & was formerly a Director and CFO of Coalspur Mines Limited and a founding director of Mantra Resources Limited
Executive Team

An experienced and Polish based management team...

Janusz Jakimowicz
Group Executive
- Geologist with over 30 years experience and a proven ability in the identification, exploration and appraisal of new resource projects
- Instrumental in identifying, negotiating and applying for the concessions and progressing the development of the project in Poland

Wladyslaw Kowalik
Mining Consultant
- Mining geologist with over 30 years experience in the hard coal prospecting, exploration and mining industry in Poland
- Specialist in preparation of coal concession applications, resource calculations and feasibility studies

Dr Jan Wierchowiec
Geological Consultant
- Geoscientist with over 15 years experience in the area of economic and environmental studies in relation to prospecting and exploration for mineral deposits
- Assisted with the exploration process for the Lublin Coal Basin

Wieslaw Kielbik
Drilling Supervisor
- Certified drilling engineer with 40 years experience working in Poland and internationally
- Highly skilled professional having worked on exploration projects across a multitude of resources including oil, gas and coal

Piotr Kolodziejski
Commercial & Finance Manager
- Accountant and former Senior Auditor with one of the largest international consulting firms in Poland
- Extensive financial and legal knowledge of the business and cultural processes in Poland
Value Adding Milestones

*Potential for market re-rating from short term (<6months) milestones...*

- Completion of initial geological review and definition of Exploration Target
- Build geological model utilising extensive historical drill core database
- Maiden JORC code compliant Coal Resource Estimate
- Commence core drilling program of an initial 7 holes for updated analyses
- Appoint a CEO who is a highly respected resource executive in the European mining finance industry
- Update coal quality and washability database with results from drilling program
- Strengthen team with appointment of in-country senior executives
- Commence Scoping Study to delineate potential size and economics of the project
Attractive Peer Comparable Valuations

Strong valuation multiples for global coal producers will assist in re-rating of Prairie Downs as we continue to develop the project...

Coal Valuation Multiples - EV / EBITDA (2012)
(Source: Bloomberg, Company Filings)
Capital Structure

Current Shares: 116,808,465

Market Capitalisation @ 30.0 cents ~A$35 million

Unlisted Options (15 cents, expiry 30 June 2015) 15,382,133
Unlisted Options (40 cents, expiry 30 June 2016) 1,500,000
Unlisted Options (25 cents, expiry 30 June 2016) 1,250,000

Cash and Marketable Securities ~A$15 million

EV/Resource 1.7 cents / tonne

Broker Coverage

<table>
<thead>
<tr>
<th>Broker</th>
<th>Rating</th>
<th>Analyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investec</td>
<td>Spec Buy</td>
<td>Colin McLelland</td>
</tr>
<tr>
<td>Hartleys</td>
<td>Spec Buy</td>
<td>Mike Millikan</td>
</tr>
<tr>
<td>RFC Ambrian</td>
<td>Spec Buy</td>
<td>Duncan Hughes</td>
</tr>
</tbody>
</table>
Disclaimer Notice

This presentation has been prepared as a summary only, and does not contain all information about Prairie Downs Metals Limited’s assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to Prairie Downs Metals Limited’s securities. The securities issued by Prairie Downs Metals Limited 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.

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 Downs Metals Limited’s projects and other statements which are not historical facts. When used in this report, and on other published information of Prairie Downs Metals Limited the words such as “aim”, “could”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward-looking statements.

Although Prairie Downs Metals Limited’s 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 Downs Metals Limited’s projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by Prairie Downs Metals Limited.

Prairie Downs Metals Limited 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 Downs Metals Limited are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

Competent Persons Statement

Information in this announcement that relates to Exploration results is based on information compiled by Mr Peter Dryburgh (an employee of independent consultant Wardell Armstrong International) who is a Fellow of the Geological Society of London. Mr Dryburgh 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 under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dryburgh consents to the inclusion of the data in the form and context in which it appears.