



**Prairie Downs**

Metals Limited | ASX: PDZ  
ABN 23 008 677 852



ASX RELEASE

20 May 2013

## **EUROPEAN BASED MINING EXECUTIVE APPOINTED AS CHIEF EXECUTIVE OFFICER**

**Prairie Downs Metals Limited (“Prairie” or “the Company”)** is pleased to announce the appointment of highly respected European Mining Finance Executive Mr Benjamin Stoikovich as Chief Executive Officer (“**CEO**”) of the Company.

Mr Stoikovich is an experienced mining engineer and most recently has been a Director of the Mining and Metals Corporate Finance Division of Standard Chartered Bank in London. The Board is delighted that an executive of Mr Stoikovich’s calibre has agreed to join the Company at such a pivotal time in the development of Prairie’s Lublin Coal Project and is confident the appointment will further enhance the Company’s ability to fulfil its vision of being one of Europe’s next strategic thermal coal producers.

Mr Stoikovich has highly relevant skills and knowledge gained from a unique career in resources which combines expertise gained as an underground Longwall Coal Mining Engineer with BHP Billiton and more recently as a senior executive within the investment banking sector in London. His career began as a Mining Engineer with BHP Billiton’s Illawarra Coal division, where he gained extensive experience in longwall coal mining operations. Mr Stoikovich obtained his NSW First Class Mine Managers ticket for underground coal mining in 2002. He then worked for Lonmin PLC before joining Standard Chartered Bank in London.

As a Director in the Mining and Metals Corporate Finance Division at Standard Chartered he has been instrumental in the origination and execution of numerous international advisory and financing transactions. Highlights of his investment banking career include the completion of over US\$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.

His experience in these transactions brings to the Company a long list of established strong relationships with key finance, corporate and off-take parties in the mining sector which will be instrumental to the development of Prairie’s Lublin Coal Project.

Mr Stoikovich’s immediate focus will be to expedite the development of the Company’s Lublin Coal Project, through the completion of the current drilling campaign, scoping and pre-feasibility studies and the marketing of the Company to European, Asian and Australian investors and potential strategic and off-take partners.

Mr Stoikovich will be based in London and will also be appointed as a director of the Company. He is expected to formally commence his role on 17 June 2013.



## Mr Benjamin (Ben) Stoikovich – Chief Executive Officer

Mr Stoikovich is a mining engineer and professional corporate finance executive with experience in mergers and acquisitions, debt and off take financing and underground longwall mine operations and permitting.

Mr Stoikovich began his career as a Mining Engineer with BHP Billiton's Illawarra Coal division in NSW, Australia, where he was a senior operations manager at two of Australia's deepest shaft access longwall coal mines; Tower Colliery and Cordeaux Colliery. Mr Stoikovich's extensive experience in longwall coal mining operations includes mine planning, environmental and mine permitting, development heading drivage, methane drainage and longwall production. He gained his NSW First Class Mine Managers ticket in 2002.

From 2004 Mr Stoikovich worked in a Business Development role with Lonmin PLC, the world's third largest platinum group metals producer, with operations centered on deep underground hard rock mining within the Bushveld Igneous Complex in South Africa. During this time Mr Stoikovich was involved in a number of corporate restructuring and M&A transactions.

Mr Stoikovich then joined Standard Bank in 2007 as Senior Vice President in the Mining and Metals Division. Here he was involved in origination and execution of M&A transactions and equity investments.

In 2008 Mr Stoikovich joined Standard Chartered Bank in London as a Director of the Mining and Metals Division, where he has been instrumental in the origination and execution of advisory transactions and financings across a range of commodities, with primary responsibility for Europe, Africa and the Middle East.

Mr Stoikovich has a Bachelor of Mining Engineering from the University of NSW; a Master of Environmental Engineering from the University of Wollongong; and a MSc in Mineral Economics from Curtin University. Mr Stoikovich also holds a 1<sup>st</sup> Class Coal Mine Managers Ticket from the Coal Mine Qualifications Board (NSW, Australia) and is a registered Chartered Engineer (CEng) and Chartered Environmentalist (CEnv) in the United Kingdom.

## Remuneration

Mr Stoikovich will receive cash remuneration of £225,000 (inclusive of superannuation) and an annual bonus of up to £80,000 to be paid upon the successful completion of key performance indicators as determined by the Board of Directors. In addition, Mr Stoikovich will be entitled to receive a bonus of £112,500 in the event of a change of control occurring with the Company. The Consultancy Agreement may be terminated with six months written notice.

Mr Stoikovich (or his nominee) will be granted the following incentive options subject to the necessary approvals:

- 1,500,000 incentive options exercisable at A\$0.35 each on or before 30 June 2017, vesting after 12 months of service or a change in control;
- 1,500,000 incentive options exercisable at A\$0.45 each on or before 30 June 2017, vesting after 21 months of service or a change in control; and
- 1,500,000 incentive options exercisable at A\$0.60 each on or before 30 June 2017, vesting after 30 months of service or a change in control.

### **For further information contact:**

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## ABOUT THE LUBLIN COAL PROJECT

The Lublin Coal Project (“**LCP**”) consists of four coal licences covering 182km<sup>2</sup> located in South East Poland in the Lublin Coal Basin (refer Figure 1 below).

The Lublin Coal Basin is an established coal province with coal mining activities dating back to 1982 with established infrastructure, including power and rail. The Project is situated adjacent to the Bogdanka coal mine which is operated by Lubelski Węgiel Bogdanka S.A.

A Maiden Inferred Coal Resource (“**MRE**”) of 1.6 billion tonnes of high quality thermal coal was estimated at the LCP during the year (Refer to ASX Announcement 14 February 2013).

LCP Inferred Coal Resource (Gross Air Dried)				
Coal Seam	391 Seam	379 Seam	382 Seam	Total All Seams
Inferred Tonnage (million t)	327	190	163	1,576
Ash Content	8.4%	14.1%	13.3%	12.2%
Calorific Value	6,894 kcal/kg	6,307 kcal/kg	6,352 kcal/kg	6,484 kcal/kg

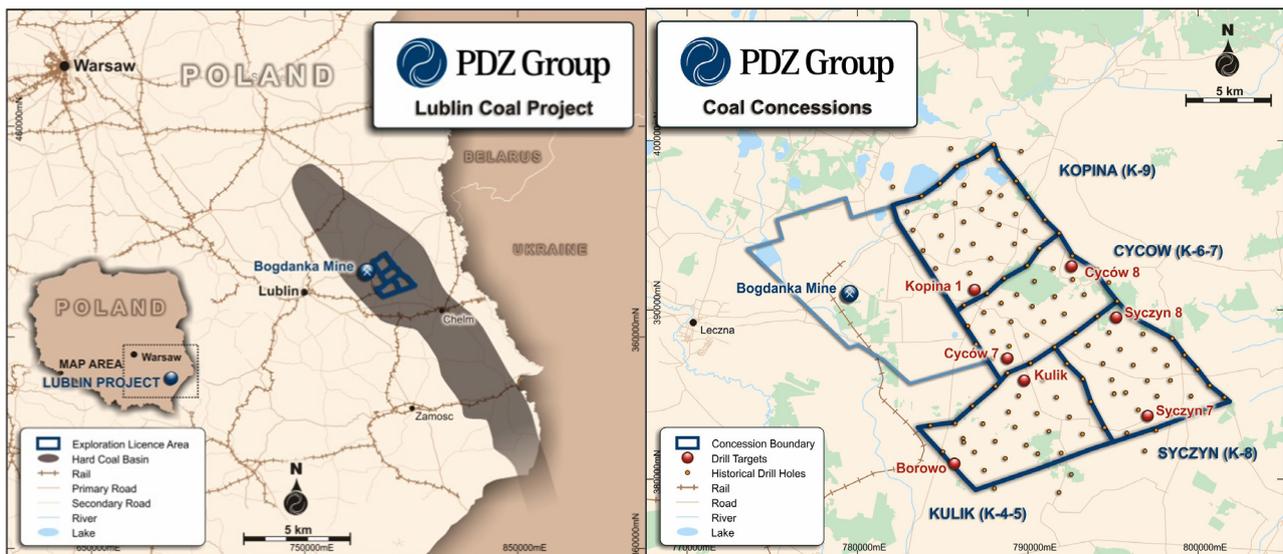


Figure 1: Project Location Map and Coal Concessions in Poland

### Competent Person Statements

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the ‘JORC Code’) sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and any references to “Measured, Indicated and Inferred Resources” are to those terms as defined in the JORC Code.

Information in this announcement that relates to Exploration results is based on information compiled by Mr Peter Dryburgh (an employee of independent consultant WAI) 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 appear.