



Prairie Downs

Metals Limited | ASX: PDZ
ABN 23 008 677 852

ASX RELEASE

24 July 2013

SCOPING STUDY COMMENCES ON PRAIRIE'S LUBLIN COAL PROJECT

Prairie Downs Metals Limited (“**Prairie**” or “**the Company**”) is pleased to announce that a Scoping Study (the “**Study**”) has commenced on the Lublin Coal Project (“**LCP**” or “**Project**”). The Study will be completed by independent consultants Wardell Armstrong International Limited (“**WAI**”), a leading geological and mining consulting firm highly regarded in the international coal sector. WAI have extensive experience in deep coal mining, particularly in Eastern and Central Europe, where they most recently completed the Expert Report in support of the IPO of Polish coal producer Jastrzębska Spółka Węglowa (“**JSW**”).

“This is an opportune time to begin development of the Company’s Project with the focus on playing an integral part in meeting Europe’s energy needs. With the closing of further mines in Europe’s traditional hard coal basins over the coming years and the commissioning of additional coal fired capacity in Germany, Netherlands, Poland and Turkey, the strategic requirement for a new low cost, stable and secure fuel supply increases” stated Mr Ben Stoikovich, Prairie’s CEO. *“Coal remains the backbone of Europe’s power sector, particularly in Germany and Poland; the Lublin Coal Basin is well positioned to be a strategic supplier for decades to come”.*

The Study will examine the following key areas:

- Revised JORC Coal Resource estimate;
- Mine production scenarios and scheduling;
- Mine access;
- Coal handling, processing and surface infrastructure requirements;
- Environmental and Social assessment; and
- Operating and capital cost evaluation.

Given WAI’s expertise in the region, and the significant data available to the Company, including immense industry knowledge gained from thirty years of operating history at the neighbouring Bogdanka coal mine, we expect timely completion of the Study during the March 2014 quarter.

Upon completion and review of the Study, the Company will look to progress towards a Pre-Feasibility Study, and initiate discussions with potential offtake partners from the region.

For further information contact:

Ben Stoikovich
Chief Executive Officer
+44 207 478 3900

Anastasios Arima
Executive Director
+61 8 9322 6322

ABOUT THE LUBLIN COAL PROJECT

The Lublin Coal Project (“LCP”) consists of four coal licences covering 182km² 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

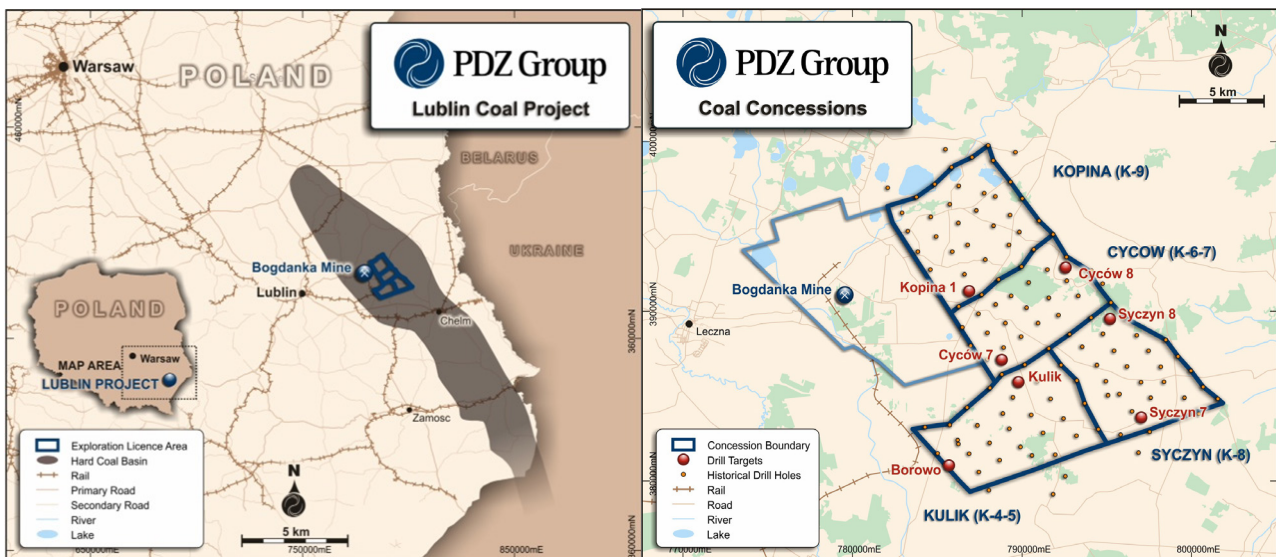


Figure 1: Project Location Map and Coal Concessions in Poland

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.