



Prairie Downs

Metals Limited | ASX: PDZ
ABN 23 008 677 852

ASX RELEASE

5 December 2013

FORMER BOGDANKA CHAIRMAN JOINS PRAIRIE

Highlights:

- ***Mr Miroslaw Taras, former Executive Chairman of Lubelski Węgiel BOGDANKA, has been appointed as a Strategic Advisor to Prairie to assist in the development of the Lublin Coal Project***
- ***As Executive Chairman, Mr Taras oversaw Bogdanka's initial public offering and successful development of new shafts leading to significantly increased coal production and world record daily longwall production rates***
- ***Mr Taras, being one of the only senior executives to successfully develop a coal project in the Lublin Coal Basin, will provide invaluable local knowledge and strategic advice to Prairie***

Prairie Downs Metals Limited ("Prairie" or "the Company") is pleased to announce that it has appointed Mr Miroslaw Taras, former Chairman of the Management Board of Lubelski Węgiel BOGDANKA ("Bogdanka"), as a Strategic Advisor to Prairie's Polish operating subsidiary, PD Co sp. z o.o. ("PD Co"). Mr Taras' experience in developing coal projects in the Lublin Coal Basin, as well his local knowledge, will be invaluable to the Company as it develops the Lublin Coal Project ("LCP" or "Project").

Mr Miroslaw Taras has worked in the Lublin coal basin since 1980, commencing as an underground coal mine operator and rising to the rank of Chairman of the Management Board of Bogdanka in February 2008 where he remained until September 2012. In 2009 Mr Taras successfully oversaw the privatisation of Bogdanka by way of an Initial Public Offering on the Warsaw Stock Exchange ("WSX") where the company raised more than US\$160m to develop two new shafts. During his time as Chairman the company's profits and EBITDA doubled and coal production increased to 8mtpa. He also led the successful defence of Bogdanka following a hostile US\$1.2bn takeover bid by New World Resources in 2010. Mr Taras was instrumental in the adoption of automated longwall plow technology at Bogdanka, leading Bogdanka to set the world record for daily production for a plow-equipped longwall in 2012. Bogdanka is currently the lowest-operating cost hard coal mine in Europe and sits adjacent to Prairie's Project.

Mr Taras graduated in 1980 from the Academy of Mining and Metallurgy in Krakow, specialising in the design and construction of mines. In 1996 he completed post-graduate studies at the School of Economics in Warsaw in the field of Financial Management of Enterprises.

During his long career at Bogdanka, Mr Taras held managerial positions in several companies within the Bogdanka group. In 1992 he was appointed Deputy Chairman of the Board at PPH Min-Water Sp. z o.o. From 1997 to 1999 he held the position of Deputy Chairman of the Board in Lubcoal SA and from 1999-2001 was Deputy Chairman of the Group Lublin Coal SA. In 2001 he became the Director of the Department of Building Ceramics and then in 2003 was appointed as Deputy Director for Trade and Railway Transport. On 16 February 2008, he was appointed Chairman of the Management Board of Bogdanka, a position that he held for five years until September 2012. Currently, Mr Taras holds the post of Executive Chairman of Lublin's regional power-heat utility LPEC.



In his role with PD Co, Mr Taras will provide valuable strategic advice and input into technical feasibility studies for the development of the Project including; mine design, permitting, construction, logistics and marketing.

Commenting on Mr Taras' appointment, Prairie's CEO Mr Ben Stoikovich said: *"We are delighted to have appointed Mr Taras, the former Executive Chairman of Bogdanka, as a Strategic Advisor to Prairie Downs. The decision by Mr Taras to join our team is seen as a very strong endorsement of the quality, scale and potential of Prairie's Lublin Coal Project. The experience he has gained from a lifetime of working in the Lublin coal basin, including shaft development, mine operations, marketing, logistics and senior management, will be of significant value to Prairie as we progress the development of our Lublin Coal Project."*

Commenting on his appointment, Mr Taras said: *"The Lublin coal basin contains billions of tonnes of coal that can be developed and extracted in a profitable manner to ensure Poland's energy security, bring investment and employment to the region and secure the continuation of Poland's proud tradition of hard coal mining. The Prairie Downs project team brings together the best of Polish and International coal mining expertise to deliver a world class project, which I am now proud to be a part of."*

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ABOUT THE LUBLIN COAL PROJECT

The LCP consists of four coal licences covering 182km² located in South East Poland in the Lublin Coal Basin.

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 of 1.6 billion tonnes of high quality thermal coal has been estimated at the LCP.

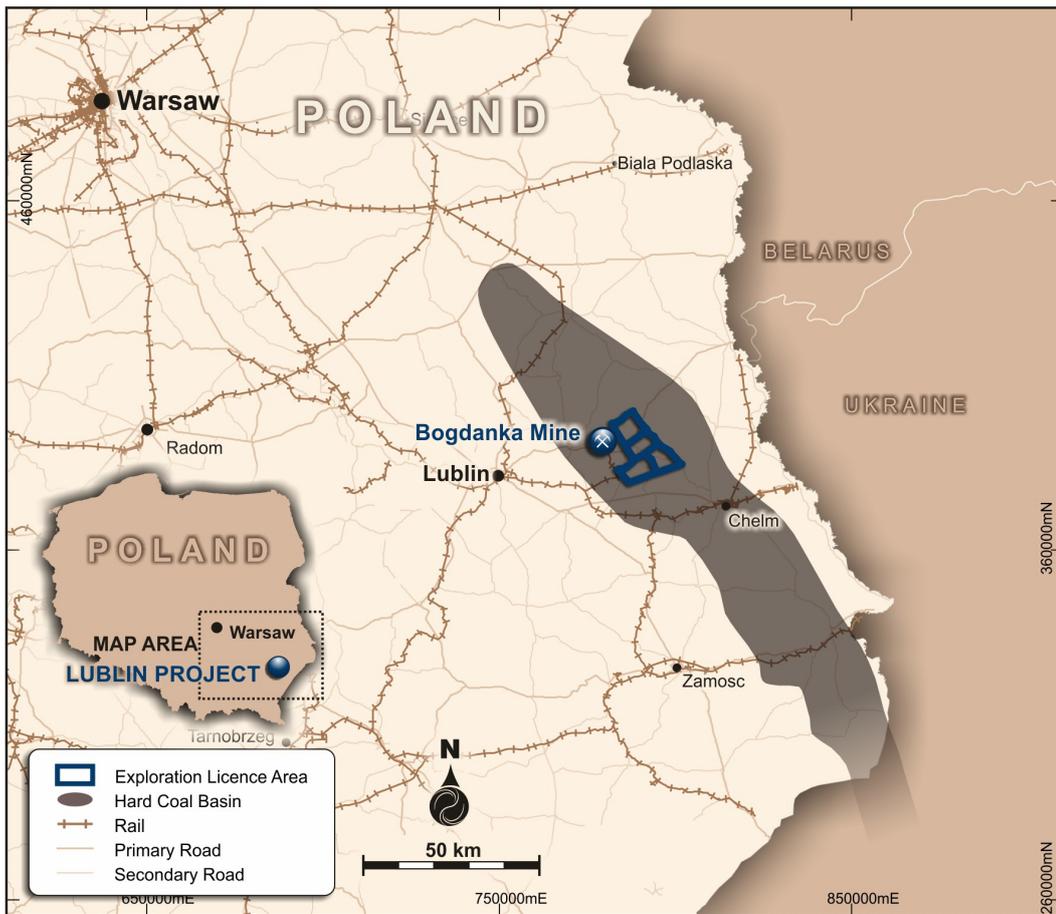


Figure 1: LCP Location Map with Bogdanka Mine

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 (2004) and any references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code (2004).

Information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Richard Lowman (an employee of independent consultant Wardell Armstrong LLP which owns Wardell Armstrong Limited) who is a Fellow of the Geological Society of London. Dr Lowman 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. Dr Lowman consents to the inclusion of the data in the form and context in which it appears.