Lublin Coal Project
Corporate Presentation
September 2015 - ASX, LSE & WSE: PDZ
Prairie Mining Limited has rapidly de-risked the Lublin Coal Project in Poland and is now advancing towards a mining concession application with the backing of a strong financial partner.

**Investment Highlights**

- **Large Scale, Long Life**
  JORC Resource of 772 million tonnes of hard coal across contiguous concessions

- **Low Operating Costs**
  Scoping Study demonstrated the potential to have the lowest operating cash costs for hard coal delivered into Europe

- **Premium Product**
  Targeting predominantly semi-soft coking coal production from the 391 seam, with product flexibility to supply into numerous markets

- **Excellent Market Access**
  Existing rail and port infrastructure with excess capacity to service regional and export markets

- **Proven Coal Basin**
  Adjacent to the world-class Bogdanka (WSE:LWB) longwall coal mine that has been in operation for 32 years and is the lowest cost hard coal mine in Europe
A significant and advanced coal project located close to existing infrastructure

- Extensive historical drilling by government: significantly de-risks geological understanding of the deposit
- Exploration program completed by Prairie identified semi-soft coking coal in the 391 seam
- Pre-Feasibility Study well advanced: on track for completion during 2015
- Fully funded to mine development decision following up to A$83m Agreement with CD Capital*
- Preparations for Mining Concession Application during 2016

* The CD Capital transaction is subject to shareholder approval during September 2015. Please refer to details contained within the Notice of Meeting sent to shareholders on 20 August 2015
The Polish government originally intended to build a complex of seven mines in Lublin to produce 14mtpa of coal using centralised infrastructure

- Major government exploration programs in the 1960’s - 80’s

- The K-1 mine was developed first and later extended into K-2 and part of K-3 to become the present LW Bogdanka

- “Full development of the [Lublin Coal Basin] was not possible due to economic difficulties faced by Poland in the late 1970’s and early 1980’s”*

Prairie holds the largest undeveloped, high quality internationally recognised (JORC) compliant resource in the Lublin Coal Basin
Significant optionality exists for Prairie with regards to potential target markets

- Prairie has access to multiple potential markets for the sale of its coal products given the location of the Lublin Coal Project in the heartland of industrial Europe, with excellent rail and port access

- The Company will focus its marketing efforts on export markets in wider Europe that are easily accessible by rail with target markets including Germany, Czech Republic, Austria and Slovakia
Clear Pathway to a Mining Concession Application

Prairie has ambitions to become a major player in the European coal sector by developing the Lublin Coal Project with the potential for the lowest operating costs for hard coal delivered into Europe.

Technical

- **Approval of Geological Documentation** has triggered the exclusive right for Prairie to apply for a Mining Concession

- **Mining Concession application** work streams currently underway including preparation of a Deposit Development Plan and Environmental Impact Assessment

- **Pre-Feasibility Study** being completed in accordance with international standards of best practise, and will form the basis of discussions with financiers and product off-takers

- **Exploration Program completed** as per concession agreements with the Polish government, including a major drilling and coal quality testing program

Corporate

- **Investment Agreement with CD Capital**, a global natural resources private equity fund, has the potential to deliver up to A$83m to upgrade, expand and develop the Lublin Coal Project

- **Millions of dollars invested** in the project to date to conduct modern exploration, environmental and technical/economic study programs

- **Strong international and Polish management team** in place with significant experience in global coal mine development and financing
Geological Documentation approved...

...Prairie has now moved into the development phase
The Lublin Coal Basin has highly favourable geological and mining conditions compared to the Upper Silesian Coal Basin. The International Energy Agency* predicts that the Lublin Coal Basin has the potential to strengthen competitive coal exports from Poland in the coming years.
The Lublin coal basin has ideal geological and mining conditions for high productivity longwall operations.

As a result, the Bogdanka mine is currently the lowest cost hard coal mine in Europe.
Even Better Results Are Possible...

...by taking a modern approach to mine design and incorporating international best practice

<table>
<thead>
<tr>
<th>Country</th>
<th>Tonnes / man / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>10,000</td>
</tr>
<tr>
<td>Australia</td>
<td>7,000</td>
</tr>
<tr>
<td>Prairie Mining – Lublin Coal Project*</td>
<td>3,000 – 3,500</td>
</tr>
<tr>
<td>Bogdanka</td>
<td>1,300 – 2,000</td>
</tr>
<tr>
<td>Upper Silesian Mines (Poland &amp; Czech Republic)</td>
<td>600 – 700</td>
</tr>
</tbody>
</table>

Source: Wardell Armstrong International
*Forecast based on the Lublin Coal Project Scoping Study - 2014
Coal mining technology in Poland has not kept pace with international best practices, thereby negatively impacting efficiency of existing mines.

Prairie’s Pre-Feasibility Study is being designed to comply with international best practice in all study areas including:

- Modern exploration techniques: To provide more accurate and reliable estimations of resources and improved mine planning.

- Optimized targeting of coal seams: Focuses on maximizing net present value by targeting highest quality coal seams first.

- Modern mine design: Reduces operating costs, improves coal yields and optimizes logistics.

- New technologies: Focuses on increased automation, improved productivity and safety through:
  - Adoption of continuous miners and rock-bolting techniques: Common in Australia, USA, China and other countries. Results in increased automation and improved safety.
  - Adoption of modern coal washing techniques: such as froth flotation cells. Results in higher coal yields and improved product flexibility.

- Improved Labour Organisation: Flexible shift structures, 7 day per week rotations, bonuses based on production targets aimed at increasing productivity, reducing costs and aligning staff interests with corporate goals.
The Lublin Coal Project
The high quality 391 seam is flat, consistent and laterally continuous over most of the Lublin Coal Project

- Prairie’s mine plan will focus on the premium quality 391 coal seam which contains 164 million tonnes of JORC Indicated Coal Resources

- Significant potential exists to increase production and extend mine life in the future by incorporating numerous other coal seams into the mine plan

<table>
<thead>
<tr>
<th>Coal Seam</th>
<th>Indicated Coal Resource In-Situ (Mt)</th>
<th>Inferred Coal Resource In-Situ (Mt)</th>
<th>Total Coal Resource In-Situ (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>382</td>
<td>60</td>
<td>39</td>
<td>98</td>
</tr>
<tr>
<td>385</td>
<td>39</td>
<td>21</td>
<td>60</td>
</tr>
<tr>
<td>389</td>
<td>19</td>
<td>41</td>
<td>60</td>
</tr>
<tr>
<td>391</td>
<td>164</td>
<td>82</td>
<td>246</td>
</tr>
<tr>
<td>Other Seams</td>
<td>51</td>
<td>207</td>
<td>258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>333</strong></td>
<td><strong>390</strong></td>
<td><strong>722</strong></td>
</tr>
</tbody>
</table>


* Tonnage calculations for Indicated Resource include allowances for geological uncertainty (15%) and are based on gross seam thickness

* Note: Apparent differences in totals may occur due to rounding
The Lublin Coal Project has the potential to become a world class coal mine producing 6mtpa of premium quality coal at the lowest operating cash cost for coal delivered into Europe.

- The Pre Feasibility Study (“PFS”) for the Lublin Coal Project is ongoing and due for completion during 2015; technical and economic projections will be revised based on PFS results.

### Key Scoping Study Results

**Scoping Study Results**

- **Mining Method**: Longwall
- **ROM Coal Production (Steady State Average)**: 7.7 mtpa
- **Clean Coal Production (Steady State Average)**: 6.0 mtpa
- **Initial Mine Life**: 22 Years
- **Coal Handling & Process Plant**: Dense Media
- **Access to Market**: Existing Rail & Port
- **Average Operating Cash Cost**: US$37/t
- **Upfront Capital Cost**: US$684m

**Notes:**
1. Scoping Study prepared by Wardell Armstrong International; results represent maximum accuracy variation of +/-35%
2. Average operating cash cost is at steady state production and excluding royalties
3. Upfront capital costs to first production (excludes sustaining capital); includes shaft sinking, underground infrastructure, capitalised pre-production expenditures, fleet and equipment, Coal Handling and Preparation Plant, surface facilities and contingencies
High Quality Transport Infrastructure

Prairie has completed rail and port studies confirming ample capacity, accessibility and low costs of regional infrastructure

**Rail Accessibility**

- High quality standard gauge electrified rail lines connect the Lublin region with the rest of Europe
- Direct access to major European markets including Germany, Austria and Czech Republic

**Underutilised Port Capacity**

- Port of Gdansk located 520km from project by rail
- Provides further access to ARA, Mediterranean and wider seaborne markets
Experienced Management Team

International Development & Finance Experience

Ian Middlemas
Chairman
• Chartered Accountant with over 20 years mining industry experience; extensive corporate and management expertise
• Former Chairman of Papillon Resources Limited and Mantra Resources Limited

Ben Stoikovich
Chief Executive Officer
• Former mining engineer and longwall coal mine manager for BHP Billion
• Subsequently a Director of Metals & Mining Corporate Finance for Standard Chartered Bank in London

Janusz Jakimowicz
President & Chairman of PD Co
• Geologist with over 30 years experience and a proven ability in the identification, exploration and appraisal of international resource projects.
• Held positions at Ashton Mining, BHP Billiton and Striker Resources (North Australian Diamonds)

Hugo Schumann
Head of Business Development
• Business development and investor relations executive with strong capital markets experience
• Holds an MBA from INSEAD and is a CFA Charterholder

Polish Operating Experience

Mr Artur K. Kluczny
Management Board of PD Co
• Served in the Prime Minister’s Office as head of the Prime Minister’s secretariat
• Served as Deputy Chairman of the Board of the Polish Financial Supervision Authority (KNF) responsible for capital markets supervisions

Mr Miroslaw Taras
Group Executive and Supervisory Board of PD Co
• Former CEO of Bogdanka
• Mining Engineer with 30 years operating experience at Bogdanka
• During his time as CEO production was increased to 8mtpa and profitability greatly improved

Mrs Patrycja Wolińska-Bartkiewicz
Supervisory Board of PD Co
• Previously the Deputy Minister (Undersecretary of State) at Poland’s Ministry of Transport, Construction and Maritime Economy
• Specialized in co-ordinating EU funding for multi-billion dollar infrastructure projects across Poland

Dr Witold Woloszyn
Environmental Manager
• Over 20 years experience preparing Environmental Impact Assessments in Poland for local, regional & national authorities
• Previously Chair of the Lublin EIA Commission and member of the Polish National Commission for EIA’s
Prairie, through its subsidiary PDZ Holdings, concluded an Investment Agreement with global natural resources private equity fund CD Capital in July 2015 to raise up to A$83m to upgrade, expand and develop the Lublin Coal Project*

CD Capital have committed to be a key strategic funding partner in the upgrading, expansion and development of Prairie’s Lublin Coal Project*

The completion of the transaction will fully fund all required works up to a positive mine development decision at the Lublin Coal Project, including the completion of a Definitive Feasibility Study and all required permitting

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**Prairie Mining Limited (ASX: PDZ)**

<table>
<thead>
<tr>
<th>At 16 September 2015</th>
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<tbody>
<tr>
<td>Current Issued Capital</td>
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<tr>
<td>Options &amp; Performance Rights</td>
</tr>
<tr>
<td>Market Capitalisation (Undiluted @ A$0.32)</td>
</tr>
<tr>
<td>Cash and Listed Securities Held**</td>
</tr>
<tr>
<td>Enterprise Value</td>
</tr>
</tbody>
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* Subject to shareholder approval. Please refer to ASX Announcement 20 July 2015 for further details

** As at 16 September 2015 Prairie held 3.75 million ordinary shares in TSX listed company B2Gold Corp (TSX: BTO) which closed at C$1.46 per share for a total value of C$5.48m (equivalent to A$5.79m using AUD : CAD exchange rate of 0.9469 )
Prairie is targeting for project construction to commence during 2017 based on the following timeline and permitting schedule*.

<table>
<thead>
<tr>
<th>Project Milestones</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Resource Upgrade</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Coal Marketing Studies</td>
<td></td>
<td></td>
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<tr>
<td>Pre-Feasibility Study</td>
<td></td>
<td></td>
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<tr>
<td>Complete Agreed Exploration Program</td>
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<td></td>
<td></td>
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<tr>
<td>EIA Baseline Studies</td>
<td></td>
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<tr>
<td>EIA Study</td>
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<tr>
<td>Infill Drilling</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Financing Work Stream</td>
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<td></td>
<td>✓</td>
</tr>
<tr>
<td>Definitive Feasibility Study</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Polish Requirements</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of Geological Documentation</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Deposit Development Plan</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Rezoning Applications</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Submit Mining Concession Application</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

* Subject to completion of the CD Capital transaction, or alternative fundraise.
The Lublin Coal Project: A Strategic Asset
The Lublin Coal Project: A Strategic Asset

Lublin Coal Project is set to become a strategic new supply of coal in Europe...

<table>
<thead>
<tr>
<th>Substantially De-risked</th>
<th>Semi-Soft Coking Coal</th>
<th>Lowest Delivered Cash Costs into Europe</th>
<th>Strategic Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clear and exclusive pathway towards a mining concession</td>
<td>• Benchmarked to European and Australian semi-soft coking coals</td>
<td>• Highly favourable geology</td>
<td>• Located approx. 20 kilometres from Poland’s national rail network</td>
</tr>
<tr>
<td>• Strong balance sheet: CD Capital investment agreement</td>
<td>• Coking coal is on the EU’s “Critical Raw Materials” list</td>
<td>• Next door to Europe’s lowest cost hard coal mine</td>
<td>• Existing rail and port capacity for regional and export markets</td>
</tr>
<tr>
<td>• Proven coal basin: in operation for 32 years</td>
<td>• The EU currently imports 55mtpa of coking coal</td>
<td>• Modern mine design and approach may further reduce costs</td>
<td>• Regional supply / demand dynamics highly favourable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improved management may lower costs even further</td>
<td></td>
</tr>
</tbody>
</table>
Appendix
Coal Market Overview
“The reports of my death have been greatly exaggerated.” – Mark Twain, upon reading his own obituary mistakenly published by the New York Times

Despite current headlines about an EU policy shift away from coal...

Coal remains fundamental to Europe

...and coking coal is on the EU’s official “Critical Raw Materials” list
During 2014, Europe¹ consumed over 712mt of coal, of which 311mt was hard coal and the remainder lignite (brown coal). In 2014 alone, imports of black coal to Europe grew by 25% to a total of 205mt.
Europe represents a major potential market for Prairie’s semi-soft coking coal

- In 2014 Europe consumed a total of 77mt coking coal, of which 13mt was semi-soft coking coal
- Europe relies heavily on imports of coking coal, importing 55mt (i.e. ~71%) of total consumption) in 2014
- Poland is the world’s largest merchant coke exporter, producing some 9mt annually and exporting 6.6mt in 2014
- Poland consumes around 3.2mtpa of type 34 coal - the Polish designation for semi-soft coking coal; this will potentially increase with further implementation of “stamp charging” coke-making technology in Poland

Source: Prairie analysis and CRU
Production of hard coal has fallen rapidly (71% decline over 23 years) while overall demand has remained strong, creating a significant increased reliance on imports

- Traditional coal basins in Germany, UK, Czech Republic and Poland are in rapid decline
- Hard coal production from Poland’s primary coal producing basin, the Upper Silesian basin, has declined by ~40mtpa since 2001 to around 64mtpa in 2014, with yet more capacity to come out of the market
- UK hard coal production fell from 17mt in 2012 to 12mt in 2014, with all deep mines to close during 2015
- Germany will close all hard coal mines by 2018 due to the ending of government subsidies, resulting in 10mtpa of hard coal production to be replaced entirely by imports

2) Source: USGS, Euracoal, Company Reports (JSW, Tauron, KW, KHW), Ministry of Economy - Poland
3) Digest of United Kingdom Energy Statistics (July 2014); The Economist – the end of an industry (27 June 2015)
Declining domestic production and increased reliance on imports are the key trends forecast for hard coal markets in Germany, Poland and Czech Republic.

Highly Favourable Regional Supply / Demand Dynamics

Source: IEA Statistics – Coal Information 2014 (Hard Coal = coking coal + steam coal)
*Based on analysis by Ipopema Securities 2015
Prairie forecasts a net import requirement of hard coal into Germany, Poland and Czech Republic of more than 75mtpa by 2020
Without aggressive restructuring, most hard coal mining in the Upper Silesian Basin is unsustainable at current coal prices. The Lublin Coal Basin represents a proven, world class and secure alternative source of supply for Europe.

Central European Coal Mining: Unit Cost Comparison

Current Hard Coking Coal Price FOB Australia*: US$87/t

Current Thermal Coal Price API2**: US$55/t

Upper Silesian Basin Producers

JSW¹
New World Resources²
KHW³
Kompania Weglowa⁴
Bogdanka⁵

Sources
1: JSW Annual Report for y/e 31 December 2014 prepared in accordance with IFRS; SG&A adjusted for own sales & coke business
2: New World Resources: Annual Report for ye/ 31 December 2014 prepared in accordance with IFRS
3: Katowicki Holding Weglowy S.A Capital: Consolidated Financial Statements for y/e 31 December 2013 prepared in accordance with IFRS
5: LW Bogdanka: Directors Report on Operations for period 1 January 2014 to 31 December 2014 prepared in accordance with IFRS

Notes: Reporting period average FX rate used; Mine Operating Costs calculated as Cost of Sales less Depreciation; Unit SG&A calculated as SG&A divided by annual saleable coal production

**Source: globalCOAL Coal Market Report: 17_8_2015 - DES ARA Price (Thermal Coal)-Week TD
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The information in this presentation that relates to Production Targets and the Scoping Study was extracted from Prairie’s ASX announcements dated 23 July 2015 and 28 April 2014 entitled ‘Scoping Study Confirms Potential for World Class High Margin Met and Thermal Coal Project’ and entitled ‘March 2015 Results to Differ from These Forward Looking Statements Include the Potential for Significant Increase in Indicated Coal Resources to 333 Million Tonnes’, 30 April 2015 entitled ‘Substantial Increase of 96% in Indicated Coal Resources to 333 Million Tonnes’, 30 April entitled ‘March 2015 Results to Differ from These Forward Looking Statements Include the Potential for Significant Increase in Indicated Coal Resources to 333 Million Tonnes’, and 23 July 2015 entitled ‘March 2015 Results to Differ from These Forward Looking Statements Include the Potential for Significant Increase in Indicated Coal Resources to 333 Million Tonnes’.

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Forward Looking Statements

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’s projects and other statements which are not historical facts. When used in this report, terms such as “should”, “may”, “will”, “might”, “will likely”, “estimate”, “expect”, “project”, “plan”, “believe”, “potential”, “future”, “likely”, “will”, “could”, “possible” and similar expressions are forward-looking statements. Although Prairie 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 Prairie’s projects’ technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by Prairie.