



NEWS RELEASE | 27 DECEMBER 2017

REPORT ON PAYMENTS TO GOVERNMENTS

Prairie Mining Limited (“Prairie” or “Company”) and its controlled entities (“Group”) provides information in accordance with London Stock Exchange Listing Rule DTR 4.3A in respect of payments made by the Company to governments for the year ended 30 June 2017 and in compliance with The Reports on Payments to Governments Regulations and its amendment in 2015.

The following schedule details payments made to Polish government entities by its wholly owned Polish subsidiaries PD Co sp. z o.o. (“PD Co”) and Karbonia S.A. (“Karbonia”). Further, due to the operational focus of the Group during the year ended 30 June 2017, the Polish government is the only relevant party to whom payments are made.

Reporting Category	Total Payments 30 June 2017		
	PD Co:	Karbonia:	Total
	Jan Karski Mine A\$	Debiensko Mine A\$	
Production entitlements	-	-	-
Income Taxes	-	-	-
Royalties	-	-	-
Dividends	-	-	-
Signature/discovery/production bonuses	-	-	-
Licence fees (including mining usufruct payments)	324,215	121,695	445,910
Property taxes to local municipalities	-	342,684	342,684
Infrastructure improvements	-	-	-
Total	324,215	464,379	788,594

This report is also available for download at www.pdz.com.au.

For further information, please contact:

Prairie Mining Limited

Ben Stoikovich, Chief Executive Officer
Sapan Ghai, Head of Corporate Development

Tel: +44 207 478 3900
Email: info@pdz.com.au

DEBIENSKO MINE (*Hard Coking Coal*)

The Debiensko Mine (“Debiensko”), is a fully permitted, hard coking coal project located in the Upper Silesian Coal Basin in the south west of the Republic of Poland. It is approximately 40 km from the city of Katowice and 40 km from the Czech Republic.

Debiensko is bordered by the Knurów-Szczygłowice Mine in the north west and the Budryk Mine in the north east, both owned and operated by Jastrzębska Spółka Węglowa SA (“JSW”), Europe’s leading producer of hard coking coal.

The Debiensko mine was originally operated by various Polish mining companies until 2000 when mining operations were terminated due to a major government led restructuring of the coal sector caused by a downturn in global coal prices. In early 2006 New World Resources Plc (“NWR”) acquired Debiensko and commenced planning for Debiensko to comply with Polish mining standards, with the aim of accessing and mining hard coking coal seams. In 2008, the Minister of Environment of Poland (“MoE”) granted a 50-year mine license for Debiensko.

In October 2016, Prairie acquired Debiensko with a view that a revised development approach would potentially allow for the early mining of profitable premium hard coking coal seams, whilst minimising upfront capital costs. Prairie has proven expertise in defining commercially robust projects and applying international standards in Poland. The fact that Debiensko is a former operating mine and its proximity to two neighbouring coking coal producers in the same geological setting, reaffirms the significant potential to successfully bring Debiensko back into operation.

JAN KARSKI MINE (*Semi-Soft Coking Coal*)

The Jan Karski Mine (“Jan Karski”) is a high-value ultra-low ash semi-soft coking coal (“SSCC”) project located in the Lublin Province in the south east of the Republic of Poland.

In November 2017, Prairie submitted the Environmental and Social Impact Assessment (“ESIA”) for Jan Karski. Prairie is now waiting for approval of the ESIA in the form of an Environmental Consent decision, which is the last component to meet all formal requirements to apply for the Mining Concession for construction at Jan Karski. Independent environmental consultants have confirmed Prairie has met all pre-requisite requirements and can expect an environmental permit in due course.

Prairie’s strategic partner, China Coal No.5 Construction Company Ltd (“China Coal”), is set to complete all Technical and Economic Studies (“Studies”) required and considered “bankable” by Chinese financing institutions. The studies will form the basis for provision of debt financing for the construction and development of Jan Karski. Upon completion of the Studies, Prairie and China Coal intend to seek Chinese bank credit approval to fund construction of Jan Karski and enter into a complete Engineering, Procurement, and Construction (“EPC”) contract under which China Coal will construct the Project.

An Independent assessment by specialist coking coal market consultants predicts that the Jan Karski ultra-low ash SSCC would potentially realise a 10% premium to international benchmark prices. Preliminary discussions between Prairie and select European steel makers have confirmed the suitability of ultra-low ash SSCC to be utilised in coke oven blends. Consequently, the Company is currently updating the marketing and sales strategy for the coal which will be produced at Jan Karski and will incorporate this strategy into the Studies.