

15 November 2021

Dear Depository Interest Holder,

**Prairie Mining Limited Non-Renounceable Pro-Rata Entitlement Offer**

Any capitalised terms can be found in Section 5 of the Offer Document published by Prairie Mining Limited in connection with its non-renounceable pro-rata entitlement offer lodged with the ASX 2 November 2021 ("**Offer Document**") Please refer to <http://www.pdz.com.au/> for further information and a copy of the Offer Document.

On 2 November 2021 Prairie Mining Limited confirmed the details of a non-renounceable pro-rata offer of New Shares to all of the Company's Shareholders including Depository Interest Holders ("**DI Holders**") on the basis of one (1) New Share or Depository Interest ("**New Shares**") for every ten (10) Shares or Depository Interests held as at the Record Date 6:00pm (GMT) on 5 November 2021. The issue price for each new Depository Interest shall be £0.11 (11 pence) ("**Issue Price**").

Up to approximately \$4.6 million will be raised by the Offer before expenses (based on the current capital structure of the Company). The maximum number of New Shares which may be issued under the Offer is 23,135,508 New Shares. All of the New Shares issued will rank equally with the Shares on issue at the date of the Offer Document.

If you decide not to accept all or part of your Entitlement pursuant to the Offer you are not required to take any action. The New Shares not accepted will form part of the Shortfall.

**If you are a CREST sponsored member you must apply via your CREST sponsor.**

Shareholders may apply for Shortfall Shares. Section 1.26 of the Offer Document details the treatment of Shortfall applications.

If there is a Shortfall, the Company will allocate Shortfall Shares according to the following priority:

(a) Each Eligible Shareholder who has applied for Shortfall Shares through the Shortfall Offer will be allocated Shortfall Shares, subject to the allocation not resulting in an Eligible Shareholder's voting power in the Company increasing above 19.9% in breach of section 606 of the Corporations Act. If there is an oversubscription for Shortfall Shares, the Company will scale back allocations for Shortfall Shares pro rata between Eligible Shareholders applying for Shortfall Shares.

(b) If following the allocation in paragraph (a) above there remains any Shortfall Shares, the Directors reserve the

right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the unallocated Shortfall Shares at their sole discretion.

The full Offer Document and related announcements are available for download at: <http://www.pdz.com.au/>.

No action has been taken to register or qualify the New Shares or Depositary Interests the subject of the Offer or otherwise permit a public offering of the New Shares or Depositary Interests the subject of the Offer in any jurisdiction outside of Australia, New Zealand, Germany and the United Kingdom. It is the responsibility of applicants outside of Australia, New Zealand, Germany and the United Kingdom to obtain all necessary approvals for the allotment and issue of the New Shares pursuant to the Offer Document.

The submission by an applicant with a registered address outside of Australia, New Zealand, Germany and the United Kingdom will be taken by the Company to constitute a representation and warranty by the applicant that all applicable securities laws have been complied with and that any necessary advice and approvals have been obtained.

**1. If you have basic entitlements under the Entitlement Offer (“Basic Entitlement”) and excess entitlements under the Shortfall Offer (“Excess Entitlement”) credited to your stock account in CREST in respect of your entitlements under the Offers**

Subject as provided in the terms and conditions set out in the Offer Document and the terms and conditions in this letter in relation to eligible DI Holders, each eligible DI Holder will receive a credit to their stock account in CREST of their Basic Entitlement equal to the maximum number of New Shares for which they are entitled to apply to acquire under the Entitlement Offer. Entitlements to New Shares will be rounded down to the nearest whole number and any fractional Entitlements will therefore also be rounded down.

**(a) USE instructions**

DI Holders who are CREST members and who want to apply for New Shares in respect of all or some of their Basic Entitlement in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear UK & International Limited (“**Euroclear**”) which, on its settlement, will have the following effect:

- i. the crediting of a stock account of the DI Holders, as receiving agent, under the participant ID and member account ID specified below, with a number of Basic Entitlements corresponding to the number of New Shares applied for; and
- ii. the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Computershare Investor Services PLC (“**Depositary**”), in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Shares referred to in paragraph (a)(i) above.

Eligible DI Holders may apply to acquire Excess Entitlements using the Excess Application Facility, should they wish. The Excess Application Facility enables eligible DI Holders to apply for Excess Entitlements in excess of their Basic Entitlement. An Excess Entitlements may not be sold or otherwise transferred. Subject as provided in these terms and conditions in relation to DI Holders, the CREST accounts of eligible DI Holders will be credited with an Excess Entitlement equal to the maximum number of New Shares available in order for any applications for Excess Entitlements to be settled through CREST.

**(b) Content of USE instruction in respect of Basic Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- i. The number of New Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Depository);
- ii. The ISIN of the Basic Entitlement. This is AU0000185688;
- iii. The CREST participant ID of the accepting CREST member;
- iv. The CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- v. The participant ID of the Depository in its capacity as Receiving Agent. This is 8RA19
- vi. The CREST member account ID of the Depository in its capacity as Receiving Agent. This is PMLOFF
- vii. The amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Shares referred to in paragraph (b)(i) above;
- viii. The intended settlement date. This must be on or before 11.00 a.m. (GMT) on 29 November 2021; and
- ix. The Corporate Action Number for the Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application under the Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. (GMT) on 29 November 2021.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- I. A contact name and telephone number (in the free format shared note field); and
- II. A priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 29 November 2021 in order to be valid is 11:00 a.m. (GMT) on that day.

**(c) Content of USE instruction in respect of Excess Entitlements**

The USE Instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- i. The number of New Shares for which the application is being made (and hence the number of the Excess Entitlement(s) being delivered to the Depository in its capacity as Receiving Agent);
- ii. The ISIN of the Excess Entitlement. This is AU0000187635;
- iii. The CREST participant ID of the accepting CREST member;
- iv. The CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- v. The participant ID of the Depository in its capacity as Receiving Agent. This is 8RA19;
- vi. The member account ID of the Depository in its capacity as Receiving Agent. This is PMLOFF;
- vii. The amount payable by means of a CREST payment on settlement of the USE instruction. This must be The full amount payable on application for the number of New Shares referred to in paragraph (c)(i) above;
- viii. The intended settlement date. This must be on or before 11:00 a.m. (GMT) on 29 November 2021; and

- ix. The Corporate Action Number for the Offer. This will be available by viewing the relevant corporate action details in CREST.
  - a. In order for the application in respect of an Excess Entitlement under the Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. (GMT) on 29 November 2021.
  - b. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - x. A contact name and telephone number (in the free format shared note field); and
    - xi. A priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 29 November 2021 in order to be valid is 11:00 a.m. (GMT) on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

**(d) General**

Subject to the Prairie Mining Limited Offer Document, each eligible DI Holder will receive a credit to their account in CREST of their Basic Entitlements of 1 New Share for every 10 existing Shares held and a number of Excess Entitlements equal to the total number of Depository Interests equal to their Basic Entitlement available through the Offer. Any fractional entitlements to New Shares will be rounded down to the nearest whole number in calculating eligible DI Holder's Basic & Excess Entitlement.

The CREST stock account to be credited will be an account under the participant ID and member account ID that is held on the Record Date by the eligible DI Holder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess Entitlements cannot be admitted to CREST, or the stock accounts of eligible DI Holders cannot be credited, by 8.00 a.m. GMT on 6 December 2021, or such later time and/or date as the Company may decide, an Application Form will be sent to each eligible Depository Interest Holder in substitution for the Basic Entitlements and Excess Entitlements which should have been credited to his stock account in CREST.

CREST members who wish to apply to acquire some or all of their Entitlements to New Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Depository on the shareholder helpline on +44 (0)370 707 4040. Please note the Depository cannot provide financial advice on the merits of the Offer or as to whether applicants should take up their Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

**(e) Market claims**

Each of the Basic Entitlements and the Excess Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Entitlements may only be made by the eligible DI Holder originally entitled or by a person entitled by virtue of a bona fide market claim transaction.

Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlements will generate an appropriate market claim transaction and the Basic Entitlement(s) will thereafter be transferred accordingly.

Excess Entitlements will not be subject to Euroclear’s market claims process. Eligible DI Holders claiming Excess Entitlements by virtue of a bona fide market claim are advised to contact the Depository to request a credit of the appropriate number of entitlements to their CREST account.

**(f) Shortfall Offer**

DI Holders who have taken up their Basic Entitlement in full may apply to acquire Shortfall Shares using the Shortfall Offer, should they wish. The Shortfall Offer enables eligible DI Holders to apply for Shortfall Shares in excess of their Basic Entitlement.

An Excess Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 3.1 of this document in relation to overseas DI Holders, the CREST accounts of eligible DI Holders will be credited with an Excess Entitlement in order for any applications for Excess Securities to be settled through CREST.

The total number of New Shares under the Offers is fixed and will not be increased in response to any applications under the Shortfall Offer. Applications under the Shortfall Offer will therefore only be satisfied to the extent that other Eligible Shareholders, including DI Holders, do not apply for their Basic Entitlements in full. Applications under the Shortfall Offer shall be allocated in accordance with the terms and conditions set out in the Offer Document. No assurance can be given that the applications by DI Holders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of CREST payment.

All enquiries in connection with the procedure for application of Excess Entitlements should be made to the Depository helpline on 0370 707 4040 or, if calling from overseas, +44 370 707 4040. Please note the Depository cannot provide financial advice on the merits of the Offer or as to whether applicants should take up their entitlement or apply for Excess Securities.

**(g) Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11:00 a.m. (GMT) on 29 November 2021 will constitute a valid application under the Offers.

**(h) CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Offers. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that their CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11:00 a.m. (GMT) on 29 November 2021. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

**(i) Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Depository, reserves the right:

- i. to reject the application in full and refund the payment to the CREST member in question, without

- payment of interest; and
- ii. in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and
- iii. in the case that an excess sum is paid, to treat the application as a valid application for all the New Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

**(j) Effect of valid application**

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- i. represents and warrants to the Company, that they have the right, power and authority, and has taken all action necessary, to make the application under the Offers and to execute, deliver and exercise their Entitlements, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;
- ii. agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Depository's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- iii. agrees that all applications under the Offers and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of Western Australia;
- iv. confirms that in making the application they are not relying on any information or representation in relation to the Company other than those contained in the Offer document, this document or any documents incorporated by reference, and the applicant accordingly agrees that no person responsible solely or jointly for this document including any document incorporated by reference or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document including any documents incorporated by reference, they will be deemed to have had notice of all the information in relation to Prairie Mining Limited contained in this document (including information incorporated by reference);
- v. confirms that in making the application they are not relying and have not relied on the Company's advisors or any other person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- vi. confirms that no person has been authorised to give any information or to make any representation concerning the Company or the New Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- vii. represents and warrants to the Company and the Depository that they are the eligible DI Holder originally entitled to the Basic Entitlements and Excess Entitlements or that they have received such Basic Entitlements and Excess Entitlements by virtue of a *bona fide* market claim;
- viii. represents and warrants to the Company, the Depository as Receiving Agent and advisors to the Company that if they have received some or all of their Basic Entitlements and Excess Entitlements from a person other than the Company, they are entitled to apply under the Basic Entitlements and Excess Entitlements in relation to such Offers by virtue of a *bona fide* market claim;

- ix. requests that the New Shares to which they will become entitled be issued to them on the terms set out in the Offer Document, this document and subject to the constitution of the Company;
- x. represents and warrants to the Company, the Depository and advisors to the Company that they are not, nor are they applying on behalf of any DI Holder who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any jurisdiction in which the application for New Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the New Shares which are the subject of his application to, or for the benefit of, a DI Holder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any jurisdiction in which the application for New Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Shares under the Offers; and
- xi. represents and warrants to the Company, the Depository, and advisors to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in s93 (depository receipts) or s96 (clearance services) of the Finance Act 1986.

**(k) Company's discretion as to the rejection and validity of applications**

The Company may at its discretion:

- i. treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 1 paragraph (b) of this document;
- ii. accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- iii. treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Depository, receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Depository has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- iv. accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Depository in connection with CREST.

## **2. MONEY LAUNDERING REGULATIONS**

### **2.1 Basic Entitlements and Excess Entitlements in CREST**

If you apply for New Shares in respect of all or some of your Basic Entitlements and Excess Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Depositary is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Depositary before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Depositary such information as may be specified by the Depositary as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Depositary as to identity, the Depositary may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **3. OVERSEAS DEPOSITARY INTEREST HOLDERS**

### **3.1 General**

The distribution of the Offer Document in jurisdictions outside Australia, New Zealand, Germany and the UK may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares or Depositary Interests, the subject of the Offer Document or otherwise permit a public offer of Shares or Depositary Interests or the subject of the Offer Document in any jurisdiction outside Australia, New Zealand, Germany and the UK.

It is the responsibility of the applicants outside Australia, New Zealand, Germany and the UK to obtain all necessary approvals for the allotment and issue of the Shares or Depositary Interests pursuant to the Offer Document. The submission of valid USE instruction will be taken by the Company to constitute a representation and warranty by the Applicant they have obtained all relevant approvals.

## **4. ADMISSION, SETTLEMENT AND DEALINGS**

The result of the Offer is expected to be announced on 3 December 2021. Applications will be made to the relevant authority for the New Shares to be listed on the London Stock Exchange. It is expected that Admission will become effective and that dealings in the New Shares, fully paid, will commence at 8.00 a.m. (GMT) on 6 December 2021.

The Depositary Interests are already admitted to CREST. No further application for admission to CREST is accordingly required. All such DIs, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. (GMT) on 29 November 2021 (being the latest time for applications under the Offer). If the conditions to the Offer described above are satisfied, Depositary Interests will be issued in uncertificated form to those

persons who submitted a valid application for Depository Interests and whose applications have been accepted by the Company. On or around 6 December 2021 the Depository will credit the appropriate stock accounts of such persons with such persons' entitlements to New Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send eligible DI Holders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess Entitlements, and to allot and/or issue any New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Depository in connection with CREST.

## **5. TIMES AND DATES**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend or extend the latest date for acceptance under the Offer and all related dates set out in the Offer Document and this document and in such circumstances shall notify the London Stock Exchange and make an announcement on a Regulatory Information Service approved by the FCA and, if appropriate, DI Holders may not receive any further written communication.

## **6. TAXATION**

The Directors do not consider that it is appropriate to give DI Holders advice regarding taxation consequences of applying for Securities under the terms set out in the Offer Document, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility of liability for any taxation consequences to DI Holders. Potential DI Holders should, therefore, consult their own professional tax advisor in connection with the taxation implications of the Securities offered pursuant to the Offer Document.