



Prairie Downs

Metals Limited | ASX: PDZ
ABN 23 008 677 852

ASX RELEASE

7 February 2014

ENVIRONMENTAL IMPACT ASSESSMENT COMMENCES AT LUBLIN COAL PROJECT

Highlights:

- ***Environmental and Social Impact Assessment (“ESIA”) for the Lublin Coal Project has now commenced, which is a pre-requisite for the grant of a mining licence over the Company’s concessions***
- ***Prairie has appointed world leading engineering and design consultant, WS Atkins, who has operated in Poland since 1991 and has worked on a number of major Polish projects, including a €950m LNG plant***
- ***The completion of the ESIA as well as all other permitting processes are intended to progress in parallel with the completion of mining and technical studies for the Lublin Coal Project***
- ***Prairie is continuing to advance its Scoping Study for the Lublin Coal project which is on track for completion during H1 2014***

Prairie Downs Metals Limited (“Prairie” or “the Company”) is pleased to announce that it has commenced the ESIA for the Lublin Coal Project (the “Project”) following the appointment of London listed world leading engineering and design consultant, WS Atkins.

Under Polish legislation, an ESIA must be completed to provide government authorities with sufficient information to award the Environmental Consent Decision, which is a pre-requisite to the granting of a mining licence over the Company’s concessions.

The ESIA is an extensive study that includes a wide range of environmental monitoring programs, field surveys, ecosystem sensitivity assessments, socio-economic surveys and a detailed community and stakeholder engagement plan. The scope of the ESIA has been defined to meet Polish, European Union and international standards, including compliance with the Equator Principles as required by Equator Principles Financial Institutions, to support the future financing of the Project.

Prairie’s chosen ESIA consultant, WS Atkins, is one of the world’s leading engineering and design consultancies with annual turnover in excess of €1.4Bn and more than 17,000 employees. WS Atkins has significant global capabilities in environmental studies in the mining sector and has worked for the European Bank for Reconstruction and Development (“EBRD”) and in support of commercial and EBRD project investments and debt funding.

WS Atkins has been operating in Poland since 1991 and has undertaken a number of significant projects in the fields of geology & mining, environment and water, building construction, infrastructure, motorways and industry. In 2010 WS Atkins was awarded a major contract for the €950m Świnoujście LNG terminal in Poland which will ultimately supply more than 50% of Poland’s annual gas demand when commissioned. In Poland, WS Atkins currently employs more than 80 permanent staff with main offices in Warsaw and Gliwice.

To complete the ESIA at the Project, WS Atkins has assigned a team of Polish and international experts in hydrogeology and geology, coal mining and mining waste management, water, noise, air protection, heritage, GIS, social communication specialists, and wildlife experts. Mr Andrzej Krzyszczyk, a Polish national and Senior Environmental Consultant with WS Atkins, has been assigned Project Manager for the ESIA.

The ESIA has now commenced and is intended to run in parallel with the Company’s ongoing drilling and mine permitting processes for the Project.

For further information contact:

Ben Stoikovich
Chief Executive Officer
+44 207 478 3900

Anastasios Arima
Executive Director
+61 8 9322 6322

Hugo Schuman
Business Development
+44 207 478 3900

ABOUT THE LUBLIN COAL PROJECT

The Project 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 Project (Refer to ASX Announcement 14 February 2013).

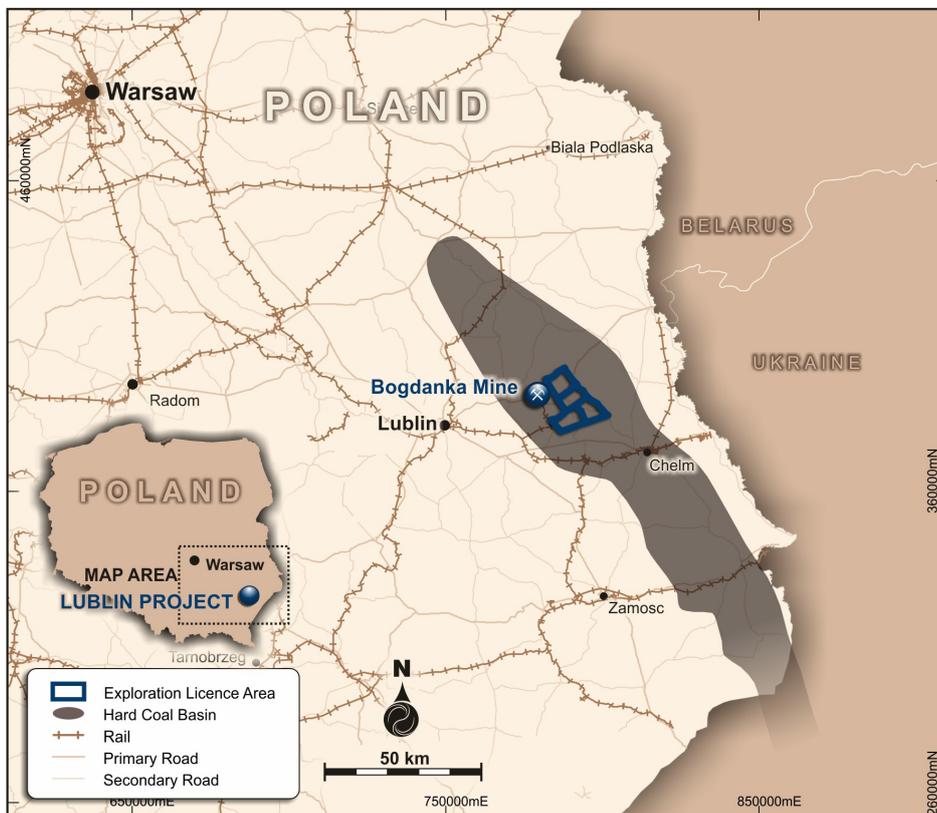


Figure 1: Project Location Map with adjacent Bogdanka Mine



Forward Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on Prairie's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Prairie, which could cause actual results to differ materially from such statements. Prairie makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

Competent Person Statements

The information in this report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Information in this announcement that relates to 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.