



Prairie Mining Limited

**PRAIRIE MINING LIMITED
ACN 008 677 852**

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia, on Monday 9 November 2015 commencing at 11:00am (WST).

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders and Depository Interest Holders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 6322.

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

Depository Interest Holders are urged to vote by lodging the enclosed Form of Instruction.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Prairie Mining Limited ("**Company**") will be held at Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on Monday 9 November 2015 commencing at 11:00am (WST) ("**Meeting**").

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday 7 November 2015 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or

- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR IAN MIDDLEMAS

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(c) of the Constitution and for all other purposes, Mr Ian Middlemas, Director, retires and being eligible pursuant to Article 6.3(f) of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BENJAMIN STOIKOVICH

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(c) of the Constitution and for all other purposes, Mr Benjamin Stoikovich, Director, retires and being eligible pursuant to Article 6.3(f) of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MS CARMELA DANIELE

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(j) of the Constitution and for all other purposes, Ms Carmela Daniele, Director, who was appointed as a casual vacancy on 21 September 2015, retires and being eligible pursuant to Article 6.3(j) of the Constitution, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

6. RESOLUTION 5 – ELECTION OF DIRECTOR – MR EMIL MORFETT

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(j) of the Constitution and for all other purposes, Mr Emil Morfett, Director, who was appointed as a casual vacancy on 21 September 2015, retires and being eligible pursuant to Article 6.3(j) of the Constitution, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

By order of the Board

A handwritten signature in blue ink, appearing to be the letter 'B' with a stylized flourish.

Dylan Browne
Company Secretary

Dated: 8 October 2015

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on Monday 9 November 2015 commencing at 11:00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Ian Middlemas
Section 6	Resolution 3 – Re-election of Director – Mr Benjamin Stoikovich
Section 7	Resolution 4 – Election of Director – Ms Carmela Daniele
Section 8	Resolution 5 – Election of Director – Mr Emil Morfett
Schedule 1:	Definitions

A Proxy Form is located at the end of this Explanatory Memorandum.

At the date of this Notice, the Company has on issue 148,352,432 Shares, each of which carries one vote per Share.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company

will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11:00am (WST) on Saturday 7 November 2015, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Form of Instruction

Depository Interests Holders should complete and sign the enclosed Form of Instruction and return by the time and in accordance with the instructions set out in the Form of Instruction. Depository Interests Holders will not be eligible to vote in person at the Meeting.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. ANNUAL REPORT

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.pdz.com.au/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and contents of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out:

- (a) the Company's remuneration policy; and
- (b) the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more ("**Strike**") at two consecutive AGMs.

If a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the Company's 2014 AGM. If the Remuneration Report receives a Strike at the Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2016 AGM, this may result in the re-election of the Board.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR IAN MIDDLEMAS

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each AGM (rounded down to the nearest whole number).

Article 6.3(f) provides that a Director who retires under Article 6.3(c) of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Ian Middlemas retires by rotation and seeks re-election as a Director.

Details of Mr Ian Middlemas' qualifications and experience are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Ian Middlemas) unanimously supports the re-election of Mr Ian Middlemas as a Director.

6. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BENJAMIN STOIKOVICH

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each AGM (rounded down to the nearest whole number).

Article 6.3(f) provides that a Director who retires under Article 6.3(c) of the Constitution is eligible for re-election.

Resolution 3 therefore provides that Mr Benjamin Stoikovich retires by rotation and seeks re-election as a Director.

Details of Mr Benjamin Stoikovich qualifications and experience are set out in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Benjamin Stoikovich) unanimously supports the re-election of Mr Benjamin Stoikovich as a Director.

7. RESOLUTION 4 – ELECTION OF DIRECTOR – MS CARMELA DANIELE

Article 6.2(b) of the Constitution gives the Directors authority to appoint a person to fill a casual vacancy at any time, provided that the number of Directors does not exceed 10 (the maximum number of Directors specified in Article 6.1(a) of the Constitution). Ms Carmela Daniele was appointed a non-executive Director on 21 September 2015.

Article 6.3(i) of the Constitution states that a Director appointed under Article 6.2(b) may retire at the next general meeting and is eligible for re-election at that meeting.

Article 6.3(j) of the Constitution states that unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i) that Director must retire at the next Annual General Meeting and is eligible for re-election. Accordingly, Ms Carmela Daniele will retire as a Director at the Meeting and being eligible seeks to be elected as a Director.

Shareholders should note that if Ms Carmela Daniele is not elected as a Director at the Meeting, this will constitute an event of default pursuant to the terms and conditions of the convertible note issued to CD Capital by PDZ Holdings in accordance with the Investment Agreement approved by Shareholders at the general meeting on 21 September 2015 (for further details refer to the Company's notice of meeting dated 20 August 2015).

Details of Ms Carmela Daniele's qualifications and experience are set out in the Annual Report.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board (excluding Ms Carmela Daniele) unanimously supports the election of Ms Carmela Daniele as a Director.

8. RESOLUTION 5 – ELECTION OF DIRECTOR – MR EMIL MORFETT

Article 6.2(b) of the Constitution gives the Directors authority to appoint a person to fill a casual vacancy at any time, provided that the number of Directors does not exceed 10 (the maximum number of Directors specified in Article 6.1(a) of the Constitution). Mr Emil Morfett was appointed a non-executive Director on 21 September 2015.

Article 6.3(i) of the Constitution states that a Director appointed under Article 6.2(b) may retire at the next general meeting and is eligible for re-election at that meeting.

Article 6.3(j) of the Constitution states that unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i) that Director must retire at the next Annual General Meeting and is eligible for re-election. Accordingly, Mr Emil Morfett will retire as a Director at the Meeting and being eligible seeks to be elected as a Director.

Shareholders should note that if Mr Emil Morfett is not elected as a Director at the Meeting, this will constitute an event of default pursuant to the terms and conditions of the convertible note issued to CD Capital by PDZ Holdings in accordance with the Investment Agreement approved by Shareholders at the general meeting on 21 September 2015 (for further details refer to the Company's notice of meeting dated 20 August 2015).

Details of Mr Emil Morfett's qualifications and experience are set out in the Annual Report.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

The Board (excluding Mr Emil Morfett) unanimously supports the election of Mr Emil Morfett as a Director.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

AGM means an annual general meeting of the Shareholders.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2015.

ASX means the ASX Limited ABN 98 008 624 691 and where the context requires, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time, at the date of the Notice, being Ernst & Young.

Auditor's Report means the Auditor's report on the Financial Report.

Board means the board of Directors of the Company.

CD Capital means CD Capital Natural Resources Fund III L.P.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Prairie Mining Limited ACN 008 677 852.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Form of Instruction means the form of instruction enclosed with the Notice.

Investment Agreement means the investment agreement dated 19 July 2015 between CD Capital and PDZ Holdings.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Managing Director means the managing Director.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

PDZ Holdings means PDZ Holdings Pty Ltd ACN 154 936 786 a 100% owned subsidiary of the Company

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution proposed pursuant to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Strike has the meaning given in Section 4.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

PROXY FORM

The Company Secretary
 Prairie Mining Limited

By delivery:
 Level 9, 28 The Esplanade
 PERTH WA 6000

By post:
 PO Box Z5083
 PERTH WA 6831

By facsimile:
 +61 8 9322 6558

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit, except for Resolution 1), at the Meeting of the Company to be held at 11:00am (WST) on Monday 9 November 2015, at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia and at any adjournment or postponement of that Meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is []% of the Shareholder's votes/[] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairman is your proxy or is appointed as your proxy by default

The Chairman intends to vote all available proxies in favour of Resolution 1. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel and even if the Chairman is a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report			
Resolution 2	Re-election of Director – Mr Ian Middlemas			
Resolution 3	Re-election of Director – Mr Benjamin Stoikovich			
Resolution 4	Election of Director – Ms Carmela Daniele			
Resolution 5	Election of Director – Mr Emil Morfett			

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

 Sole Director and Sole Company Secretary

Shareholder 2

 Director

Shareholder 3

 Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA 6000, or by post to PO Box Z5083, Perth, WA 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia not less than 48 hours prior to the time of commencement of the Meeting (WST)).