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## **CD CAPITAL TRANSACTION APPROVED AND SETTLED INVESTMENT OF UP TO A\$83 MILLION**

- *Prairie shareholders have voted to approve the terms for the investment of up to A\$83 million from global natural resources private equity fund CD Capital to upgrade, expand and develop the Lublin Coal Project*
- *All Conditions Precedent to the Transaction have now been met and Prairie has received the initial A\$15 million tranche of funding*
- *CD Capital have committed to be a key strategic funding partner in the upgrading, expansion and development of Prairie's Lublin Coal Project*
- *The investment is structured in three tranches as follows:*
  - *a private placement by PDZ Holdings Pty Ltd (a wholly-owned subsidiary of Prairie which indirectly holds the Lublin Coal Project) of non-interest bearing convertible loan notes with an aggregate principal amount of A\$15 million to CD Capital, exchangeable for ordinary shares of Prairie at A\$0.335 per share*
  - *the grant of unlisted options in Prairie with an exercise price of A\$0.60 per option for a further A\$13 million once exercised; and*
  - *a priority right for CD Capital to invest a further A\$55 million in any future funding conducted by Prairie*
- *The receipt by PDZ Holdings of the initial A\$15 million will fund the de-risking of the Project towards a construction decision*
- *The completion of the transaction will 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*
- *CD Capital securing rights to provide A\$55 million as part of future Prairie fund raising provides a solid platform for Prairie to progress project financing for the successful development of the Lublin Coal Project*
- *Prairie welcomes CD Capital Founder and Fund Manager Ms Carmel Daniele and CD Capital Senior Analyst Mr Emil Morfett to the Prairie Board of Directors*

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**Prairie Mining Limited** ("Prairie" or "Company") is pleased to announce that all necessary conditions to settle the investment agreement with CD Capital Natural Resources Fund III LP ("**CD Capital**") have been met, including shareholder approval of the transaction, which has triggered the payment of the initial investment tranche of A\$15 million to Prairie. As a result of the closing of the transaction, Prairie welcomes two highly experienced mining executives to its Board of Directors with the appointment of Ms Carmel Daniele, Founder and Fund Manager of CD Capital, and Mr Emil Morfett, CD Capital's Senior Mining Analyst.

CD Capital is a global natural resources private equity fund with a proven track record of successfully identifying and investing in world-class mining and resource assets at the growth equity stage. CD Capital unlocks value in high quality mining projects through a strategic hands on approach to development and has a long term investment horizon. CD Capital's underlying investor base is made up of professional institutional investors with strong representation from endowments and foundations. The proceeds from the transaction will be used to complete a definitive feasibility study for the Lublin Coal Project and will fund all required work programs to enable the Company to make a development decision.

The appointment of Ms Carmel Daniele and Mr Emil Morfett to the Board strengthens the Company's relationship with CD Capital and has been facilitated by the resignation of Mr Welborn and Mr Arima as Directors of the Company. Mr Welborn was appointed as a Director on the 4 February 2009, initially serving as Managing Director where he was instrumental in earning the Company's Papillon Resources (now B2Gold) equity fee. From 5 August 2010 Mr Welborn served as a Non-Executive Director of the Company. Mr Arima was appointed a Director of the Company on 13 September 2012 where he was instrumental in the management of Prairie's initial exploration and development activities at the Lublin Coal Project. The Board thanks Mr Welborn and Mr Arima for their exceptional service and significant impact on building shareholder value.

Prairie's CEO Ben Stoikovich said: *"We are delighted to have now closed the CD Capital transaction and we welcome CD as a strategic, long term investor and shareholder in the Company. They are an experienced and well-funded natural resources private equity fund who successfully identify and invest in world-class mining and resource assets. Their significant investment in the Lublin Coal Project is testament to the project's outstanding fundamentals and potential, and provides the Company with a solid base to progress rapidly towards development"*.

CD Capital's Founder & CIO Ms Carmel Daniele said: *"This investment is an exciting opportunity to expand and develop the Lublin Coal Project into a world class resource. It is a high quality project where we can achieve our investment mandate through a strategic partnership of our deep industry expertise with the experienced and committed Prairie management team."*

### **Additional Information**

CD Capital is an established and UK FCA registered fund manager with a specific focus on the mining sector. The strong experienced team of CD Capital currently manages three private equity investment funds with assets under management of over USD\$400 million. This investment is the first by the group's newest fund - CD Capital Natural Resources Fund III LP. As evident from the quality of this investment, CD Capital continues to achieve its mandate of partnering with leading mining entrepreneurs and strongly-aligned management teams to build world class mining projects from the highest quality pipeline.

Ms Carmel Daniele is Founder and Chief Investment Officer of CD Capital in London. Ms Daniele has over 20 years of global natural resources investment experience, ten of which was spent with Newmont Mining/Normandy Mining and acquired companies. As a Senior Executive (Corporate Advisory) at Newmont she structured cross-border M&As including the three-way merger between Franco-Nevada, Newmont and Normandy. Post-merger Ms Daniele structured the divestment of various non-core mining assets around the world for the merchant banking arm, Newmont Capital. Ms Daniele started off her career at Deloitte Touche Tohmatsu where she spent 8 years in various corporate finance roles. Prior to setting up CD Capital in London in 2006, Ms Daniele spent a year and half as investment advisor to RAB Capital's Special Situations Fund on sourcing and negotiating natural resource private equity investments. Ms Daniele holds a Master of Laws (Corporate & Commercial) and Bachelor of Economics from the University of Adelaide and is a Fellow of the Institute of Chartered Accountants.

Mr Emil Morfett has over 30 years' experience in mining industry acquisitions, privatisations, IPOs, equity offerings and has held directorships of numerous public mining companies. He has had commodity exposure to iron ore, coal, base metals, copper, gold, vanadium, tungsten, nickel sulphide, manganese and rare earths via employment at Rio Tinto, as an exploration geologist in Saudi Arabia and the USA; at Goldfields, as a geologist and mining analyst in South Africa; at Paribas and J.P. Morgan, both as Head of Metals and Mining Research; and at Millstone Grit, where he was Managing Director, Founder and Mining Analyst. Mr Morfett joined CD Capital in 2014. He has a BSc in Geology from the University of London, Queen Mary College and an MSc in Mineral Exploration from the University of Kingston, Ontario. Mr Morfett is also a Chartered Engineer and Member of the Institute of Materials, Minerals and Mining.

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