Prairie Mining Limited

NEWS RELEASE | 21 February 2018

DRILL RESULTS AFFIRM JAN KARSKI'S STATUS AS A GLOBALLY SIGNIFICANT SEMI-SOFT (TYPE 34) COKING COAL PROJECT

HIGHLIGHTS

- ***Prairie's use of modern exploration techniques continues to transform the Jan Karski Mine with latest drill results re-affirming the capability of the Project to produce high value ultra-low ash semi-soft coking coal, known as Type 34 coal in Poland***
- ***Outstanding results from coke oven testing demonstrate superior coal quality specification compared to typical parameters of internationally traded semi-soft coking coals and domestic Type 34 coals, including an exceptionally high Coke Strength after Reaction which is a parameter highly prized by steelmakers***
- ***Historically Poland's Lublin Coal Basin has been associated with thermal coal production, however Prairie's exploration program conducted according to international standards has demonstrated beyond doubt that the 391 coal seam at Jan Karski hosts a globally significant deposit of semi-soft / Type 34 coking coal***
- ***Washplant flow sheet design conducted as part of the China Coal technical studies anticipates mine production will be up to 75% ultra-low ash semi-soft / Type 34 coking coal, with outstanding overall saleable coal yield of 82%***
- ***Czech and Polish supply of semi-soft / Type 34 coking coal to the European steel industry has dramatically decreased over the last two years due to mine closures and declining production, with regional coke and steelmakers forced to replace the supply deficit with imports***
- ***Benchmarking analysis of Jan Karski's ultra-low ash product against semi-soft coking coal produced in the Czech Republic and from recently closed Polish mines demonstrates the potential of the Jan Karski Type 34 coal to replace these coals in the regional market***
- ***The Company can now advance discussions with regional steelmakers and coke producers for future coking coal sales and offtake on the basis of selling ultra-low ash semi-soft / Type 34 coking coals from Jan Karski***
- ***Drill results will be incorporated in China Coal's technical studies for the Jan Karski Mine***

Prairie Mining Limited ("Prairie" or "Company") is pleased to announce the results of enhanced coal quality analysis and test work from a recently completed borehole (Kulik 1) at its 100% owned Jan Karski Mine ("Jan Karski" or "Project"). The coking coal quality results are superior to the drill results announced in May 2017, and further confirm that Jan Karski is a globally significant semi-soft coking coal ("SSCC") / Type 34 coking coal deposit with the potential to produce a high value ultra-low ash SSCC with an exceptional CSR and a high 75% coking coal product split.

Comparison of the latest coking coal quality results to other mines in Poland and the Czech Republic that have historically produced SSCC or Type 34 coking coal show the great potential Jan Karski has to meet European market demand for Type 34 semi-soft coking coal as production from other Czech and Polish mines continues to diminish over the coming years.

Table 1: SSCC / Type 34 Coking Coal Quality – Jan Karski (Kulik 1) compared to other Czech and Polish Type 34 coals

Parameter	Jan Karski (Kulik 1)	Typical SSCC Coal *(Upper Silesia - Poland)*	Darkov *(Czech Republic)*	Karvina CSA *(Czech Republic)*
Rank (Ro)	**0.85**	0.82	1.15	1.00
VM %	**35-37**	38	27	28
Ash %	**3.5**	8.4	8.0	8.0
FSI	**7.0**	6.5	4.5	5
Roga Index	**82**	70	-	-
Vitrinite %	**84**	-	43	42
Dilatation	**64**	59	25	25
Fluidity	**268**	380	300	500
CSR	**54**	-	45-48	45-50
Type	**34.2**	34.2	-	-

These latest results will be incorporated into the non-JORC technical studies currently underway by Prairie's strategic partner, China Coal.

Prairie's CEO Ben Stoikovich commented: "***Prairie's modern exploration program has demonstrated that Jan Karski is a globally significant semi-soft / Type 34 coking coal project, whereas historically the Lublin Coal Basin has been associated with thermal coal production only. This presents an outstanding economic development opportunity for the Lublin region, and Chelm province in particular, to become a leading European supplier of coking coal to the steel industry. Our latest studies anticipate that up to 75% of saleable production will be semi-soft / Type 34 coking coal, which is a high value product with the current benchmark FOB Australia price at ~USD135/t. With such a high proportion of saleable product from Jan Karski anticipated to be high value semi-soft / Type 34 coking coal, project economics are likely to be significantly enhanced compared to the 2016 Pre-Feasibility Study results. Coal tested from the Kulik 1 borehole demonstrated exceptional coking parameters, including CSR of 54, swelling index of 7.0 and fluidity of 268. With the ongoing closure of coal mines in the Czech Republic and Poland that produce semi-soft / Type 34 coking coal, there is a growing regional market opportunity for Jan Karski ultra-low ash semi-soft / Type 34 coking coals. Independent analysis has indicated that due to the superior coal quality of Jan Karski semi-soft / Type 34 coking coal, we have the potential to achieve market pricing of some 10% above the standard international SSCC benchmarks.***"

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RESULTS FROM RECENT DRILLING AND EXPANDED COAL QUALITY ANALYSIS

Prairie has now completed drilling the Kulik 1 borehole at Jan Karski which was a large diameter borehole enabling sufficient quantities of coal from the 391 seam to be collected to meet the requirements for physical coke testing, specifically confirmation of Coke Strength after Reaction ("CSR") and extended coal washability test work. Coke testing was conducted at Centralne Laboratorium Pomiarowo-Badawcze Sp. z o.o. ("CLPB") laboratories in Poland which is controlled by Jastrzębska Spółka Węglowa ("JSW") and is internationally accredited as a commercial coal and coke testing laboratory. Washability and other basic coal quality analyses were conducted in the UK. CSR analysis is considered vital in testing for a coal's coking properties and is important to steelmakers as it is an indicator of the performance / strength of the coke produced from the coal. The full range of standard coking tests were also conducted as shown in Table 2 below**:**

Table 2: Analysis results from Jan Karski Kulik 1 borehole – 391 seam		
COKING PROPERTIES		
FSI		**7.0**
Roga Index		**82**
CSR	**%**	**54.0**
CRI	*%*	36.5
Ash in Coke	*%*	5.8
Sulphur in Coke	*%*	0.78
Giesler Plastometer		
Initial Softening	*°C*	404
Max Fluidity temp	*°C*	440
Resolidification	*°C*	463
Max Fluidity	***ddpm***	**268**
ASTM Dilation		
Softening Temperature	*°C*	380
Max Contraction Temp	*°C*	420
Max Dilation Temp	*°C*	450
Max Dilation	*% D*	64
PROXIMATE ANALYSIS		
Inherent moisture	*adb%*	1.73
Ash	***adb%***	**3.45**
Volatile Matter	*adb%*	35.5
OTHER COAL PROPERTIES		
Sulphur	*ar%*	1.00
Rank (Ro)		0.85
Vitrinite	*%*	84

JAN KARSKI COKING COAL KEY QUALITY ADVANTAGES

Ultra-low Ash

Washability analysis from the Kulik 1 borehole and previous boreholes drilled by Prairie across Jan Karski has demonstrated that due to the low inherent ash and excellent washability characteristics of the 391 seam, Jan Karski SSCC is unique with ash product levels of 3.45% or less (air dried) and far superior to typical ash levels for major coking coal brands (both hard and soft) traded internationally and produced domestically in Europe. Figure 1 shows there is a range of ash specifications for semi-soft coking coals. Coal from the Kulik 1 borehole had ash of 3.45% at a float RD of 1.4, again demonstrating that Jan Karski SSCC is an ultra-low ash product compared to other SSCCs. Low ash provides a number of technical benefits including improved coke strength and caking properties, and reduced fuel rate in the blast furnace.

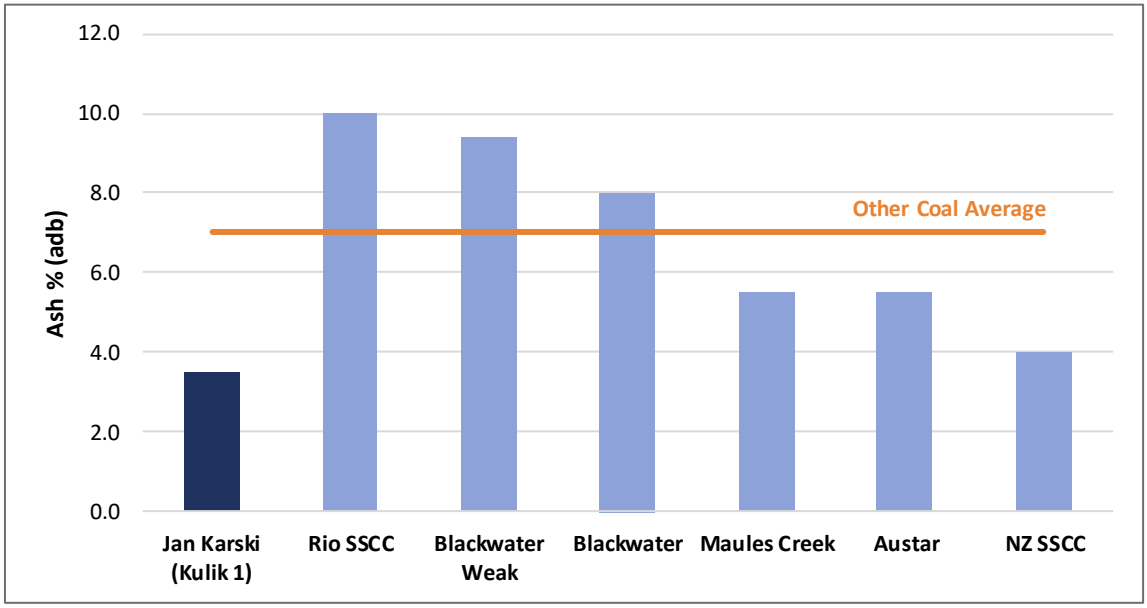

Figure 1: Jan Karski SSCC Ash Benchmarking

The ultra-low ash content increases the coal's value-in-use to steel and coke makers, making the product highly saleable in both the domestic European and international markets. One of the key outcomes of utilising ultra-low ash coking coal to produce low ash coke ash is the resulting decreased fuel rate. This has a key environmental benefit for steel makers as it reduces CO_2 emissions per tonne of hot metal produced.

Prairie's analysis predicts increasing global demand for ultra-low ash coking coal for blending with hard coking coal ("HCC"), due to a continuing trend of rising average ash levels in globally traded hard coking coals. Premium HCC resources with low ash are becoming increasingly scarce, forcing consumers to make concessions on HCC ash levels. Ultra-low ash coking coals for blending are becoming increasingly sought after by consumers seeking to "blend-down" the ash levels in their coke blends. This is a particular advantage for European steelmakers where EU regulations focus on reduced CO_2 emissions and compliance with other EU emissions directives. The trend of ever more stringent emissions standards for steelmakers imposed by the EU indicates a positive future for marketability of Jan Karski ultra-low ash semi-soft / Type 34 coking coal.

Exceptionally High CSR

Figure 2 shows the measured CSR (54) of the 391 seam from Kulik 1 borehole at Jan Karski is at the very top end of the range for globally traded SSCC. A CSR figure of 54 shows the coal has the ability to form a coherent coke mass, a sought after quality by steelmakers.

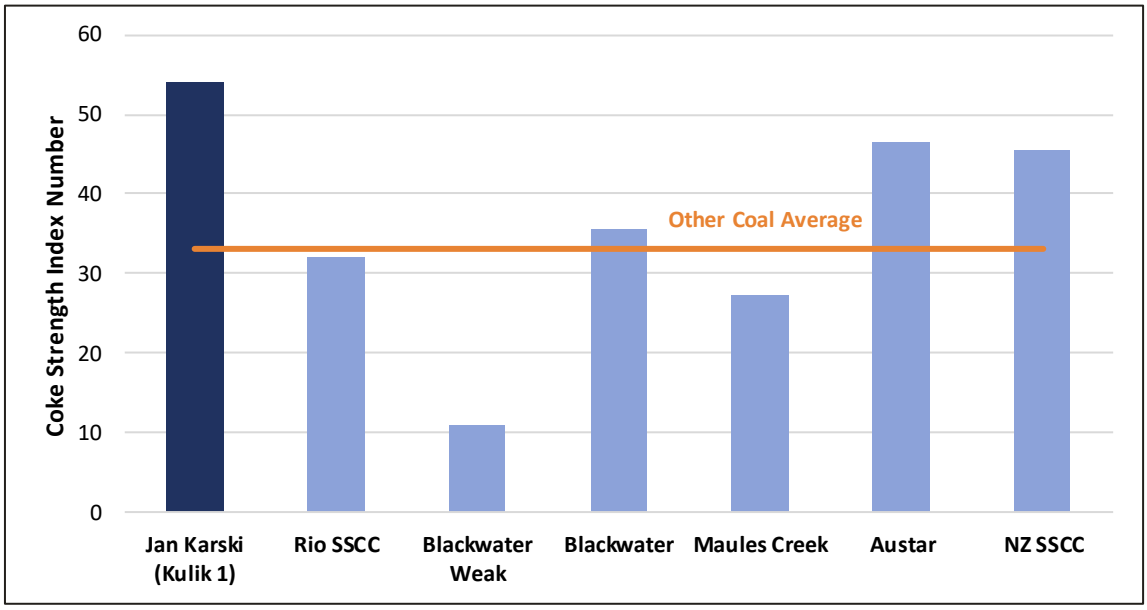

Figure 2: Jan Karski Coke Strength Benchmarking

Other Positive Attributes

Other Jan Karski ultra-low ash SSCC quality positives are its high vitrinite content, high-range FSI (7.0), and fluidity of 268. The volatile matter is in the range typical for Australian traded SSCCs.

COMPARISON TO SEMI-SOFT COKING COALS PRODUCED IN THE CZECH REPUBLIC AND POLAND

SSCC is produced in the Czech Republic by mining company OKD, formerly New World Resources. Two SSCC brands are produced by OKD, Karvina CSA and Darkov. According to Prairie's estimates, OKD currently produces approximately 1.8Mtpa of semi-soft / Type 34 coking coal. Indications are that these mines will cease production by 2022. Furthermore, during 2017 mine closures and production changes in Poland that have resulted in a reduction of availability of semi-soft / Type 34 coking coal in the domestic market of almost 2Mtpa.

Jan Karski ultra-low ash semi-soft / Type 34 coking coal quality parameters compare favourably with the coals currently and historically produced in the Czech Republic and Poland, with a summary comparison of coal qualities indicated in Table 3. These types of coals find wide acceptance in European coke ovens and particularly in stamp charging coke batteries which are widely used in Poland and across Central Europe.

Table 3: SSCC / Type 34 Coking Coal Quality – Jan Karski (Kulik 1) compared to other Czech and Polish mines				
Parameter	**Jan Karski (Kulik 1)**	**Typical SSCC Coal *(Upper Silesia - Poland)***	**Darkov *(Czech Republic)***	**Karvina CSA *(Czech Republic)***
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Increasing Polish Dependence on Hard Coal Imports

According to prominent Polish financial newspaper Parkiet Gazeta Gieldy, 2017 data from the EU's statistical office Eurostat suggests Poland produced 65.8 million tonnes of hard coal in 2017, approximately 6 million tonnes less than in 2016. The decrease is attributed to the continued closure and restructuring of Polish coal mines. Conversely, Polish demand for hard coal remained strong during 2017, with Poland being forced to import 13.3 million tonnes of hard coal to meet its own needs – an increase of 60% in hard coal imports year on year. This follows a steady trend in Poland over the last few years with domestic production of hard coal declining and increased reliance on imports.

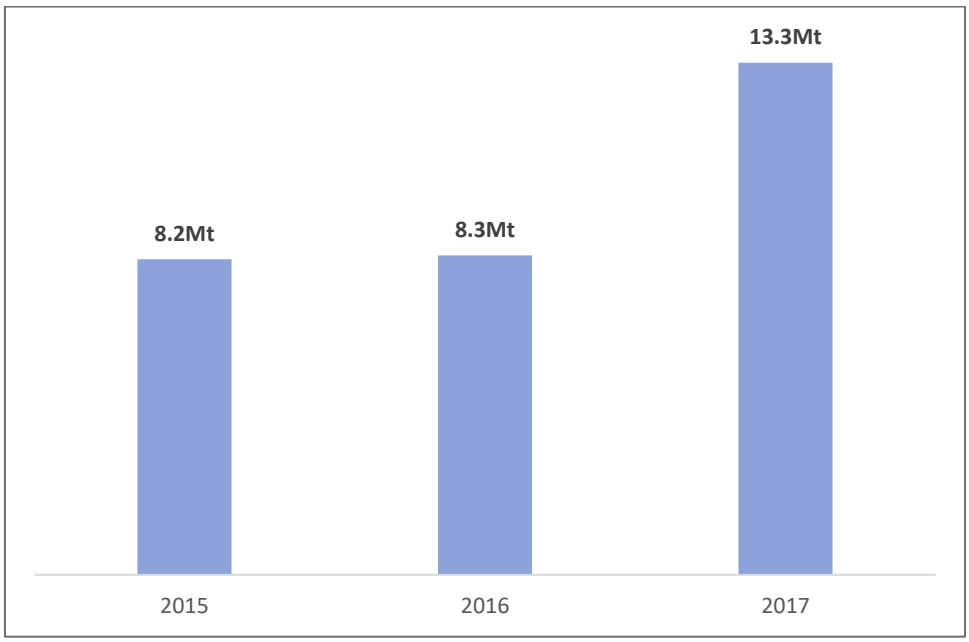

Figure 3: Polish Coal Imports in last 3 years (*Source: Polish Ministry of Energy and Eurostat / Parkiet*)

Increased European Demand for Type 34 Coal

Declining production of Czech and Polish semi-soft / Type 34 coking coal has resulted in steel makers becoming more aware of the importance of security of supply of the raw material. Over the last 12 months, lack of delivery of semi-soft / Type 34 coking coal has forced some Central European steel makers to introduce urgent measures including changes in the coking charge mix and increased imports, thus generating additional costs and disturbing normal production.

According to an article by Dziennik Gazeta Prawna, in February 2018 Lakshmi Mittal (Chairman and CEO of ArcelorMittal S.A. ("ArcelorMittal")) met with Polish Prime Minister Mateusz Morawiecki during the World Economic Forum in Davos and informed the Prime Minister of the company's concerns regarding the low availability of regionally produced semi-soft / Type 34 coking coal. ArcelorMittal is reportedly considering further investment into steelmaking capacity in Poland following on from the completion of important modernisation investment projects at its Krakow unit in May 2017 totalling PLN 500 million including relining of the blast furnace for a new plant life of 20 years. However, security of supply of semi-soft / Type 34 coking coal remains an important consideration.

International and Polish Steel Sector Update

Global steel markets continued to strengthen in 2017 with groups such as Europe's ArcelorMittal, Nucor Corporation of the US and South Korea's POSCO all recently reporting higher profits. The recent rebound in the steel prices and increased demand have provided an ideal situation for steel makers. At the same time, North American and European steel makers have benefited from trade actions against dumping from China, which is responsible for half of global output, and continue to close underutilised and old-technology steel mills.

In December 2017, the President of the Board of Polish Steel Association estimated 2017 Polish steel product consumption to be approximately 13.5 million tonnes, up from 13.1 million tonnes in 2016 and forecast consumption rates to grow by over 11% over the next three years to reach 15 million tonnes. The increase was attributed to developments in the automobiles industry and household appliances sector, noting that Poland is Europe's largest producer of such household appliances.

In 2016, Poland also imported 7.2 million tonnes of steel – an increase of 12% year on year and mainly from Ukraine, Russia and China – and exported 5.2 million tonnes of steel – a 6% increase year on year especially driven by exports to countries outside of the EU which increased by 16% from 2015 to 2016. This high level of demand for Polish steel from countries outside of the EU and particularly Ukraine, Russia and Turkey resulted in a negative trade balance of 4.5 million tonnes as Poland was unable to meet the demand.

PRICE BENCHMARKING

In 2017 independent coal market specialists CRL Energy Ltd ("CRL") were appointed by Prairie to analyse the potential value of Jan Karski ultra-low ash SSCC in the market based on the results of the Cycow 9 borehole. CRL took two approaches to price benchmarking. The first approach applied the method used by the S&P Global Platts ("Platts") publication of international benchmark coal prices. The second was a proprietary approach adopted by CRL based on value in use assessment incorporating assumptions regarding a typical Western European coking coal blend used by steel makers and proportions of Jan Karski ultra-low ash SSCC included in the blend.

The Platts coal market publication shows a number of penalty/premium factors that can be used to calculate relative values of coking coals against a stated benchmark (Figure 4). The limit of this method is that it assumes all markets would derive the same value from a particular coal; this is not strictly applicable in all cases, since value is also a function of the other coals in the blend, coke versus PCI rate and plant configuration. The "benchmark" coal used in this evaluation is the Rio Tinto Hunter Valley semi-soft, hence this coal is calibrated at 100% of the benchmark. The Platts benchmarking shows the Jan Karski coal specification is valued at 112.7% of the Rio Tinto semi-soft specification. The only comparable coal is the Blackwater coking coal (which is more of a semi-hard type specification) and the NZ SSCC (a low ash SSCC product).

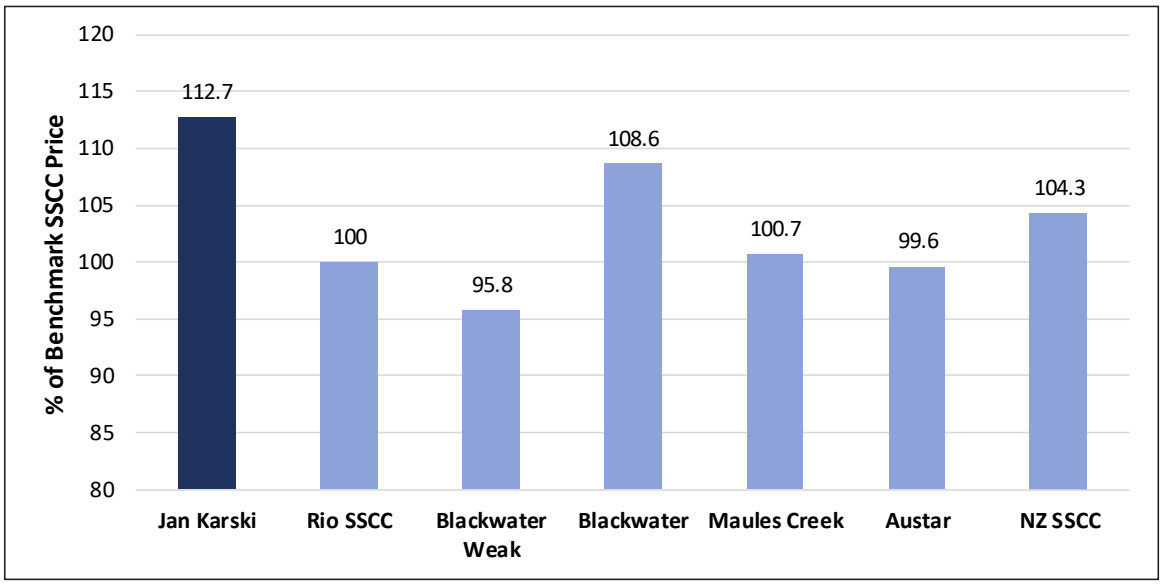

Figure 4: Platts Price Benchmarking Assessment

Both Platts benchmarking and value in use modelling show Jan Karski is a high value SSCC, driven substantially by the ultra-low ash. The Platts specification benchmarking suggests Jan Karski should be priced at a 10% premium above the benchmark Rio Tinto Hunter Valley SSCC.

COAL PROCESSING UPDATE AND COKING COAL YIELD

Dargo Associates, specialist coal handling and preparation consultants were appointed to re-evaluate the potential yields of ultra-low ash coking coal from Jan Karski and to develop a washplant flow sheet as part of the Chinese technical studies currently underway. To evaluate the yield of ultra-low ash coal, the washability tests were extended to give more information on separation in the lower density ranges. Separating at low density increases the quantities of near density material and the extended washability test work was used to identify the most efficient wash plant process. The washability results from the recently drilled Kulik 1 borehole were consistent with the results from washability analysis conducted for all of the nine boreholes Prairie has drilled across Jan Karski, demonstrating exceptionally high yields of ultra-low ash (<3.5%) product coal at RD1.40 float.

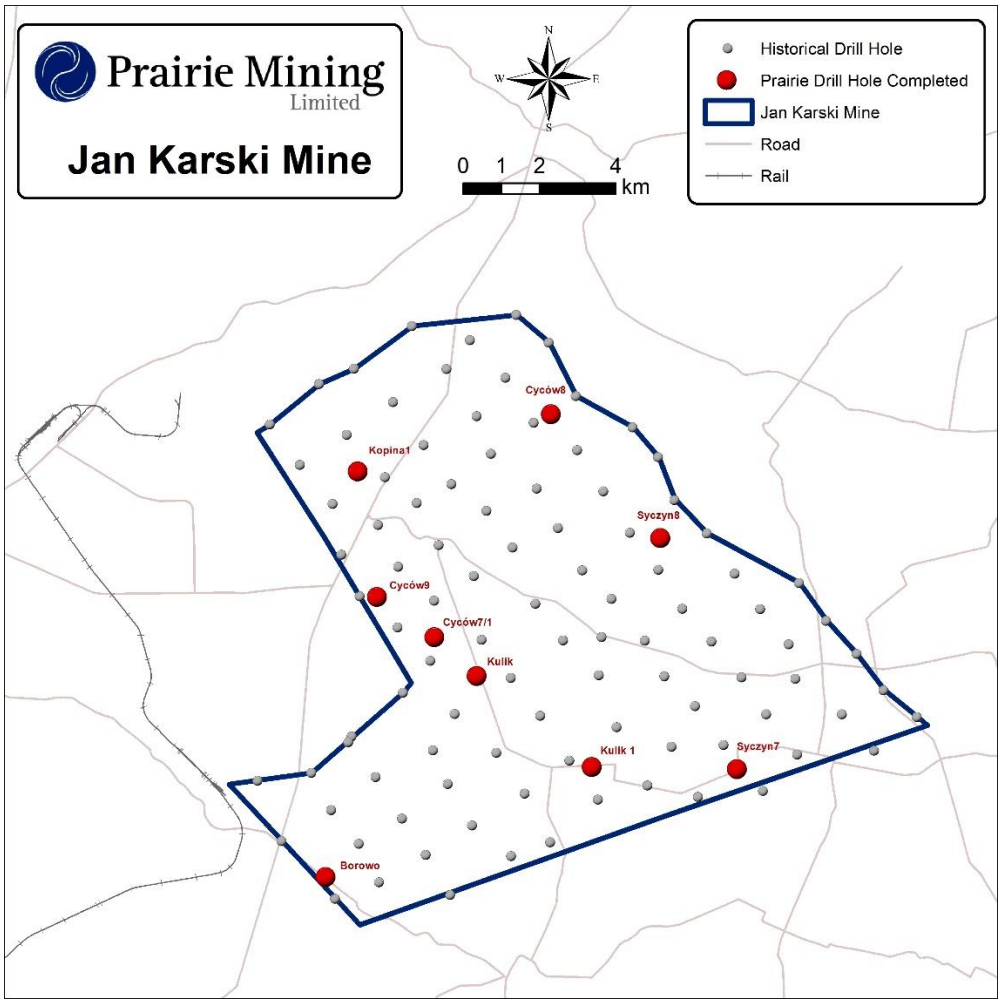

Figure 5: Drill Hole Locations at Jan Karski including Kulik 1

Preliminary analysis has shown that the production of ultra-low ash SSCC (2.5 - 3.5%) results in an overall yield of saleable coal of 82%, which is similar overall yield as indicated in the original Jan Karski Pre-Feasibility Study ("PFS") published in March 2016. Overall mine yields are hardly impacted by the ultra-low ash beneficiation as any coal lost due to the lowering of ash on the ultra-low ash SSCC product reports to the thermal product.

The predicted ratio of ultra-low ash SSCC to thermal coal is 75% coking coal to 25% thermal coal. The thermal coal product is anticipated to have 13% ash and will be in line with typical API2 specification export quality thermal coal. Should Prairie decide to sell a typically higher ash Polish domestic thermal coal of up to 25% ash, the overall yield will increase further.

BACKGROUND ON JAN KARSKI

In March 2016, Prairie announced the results of a PFS for Jan Karski confirming the technical viability and robust economics of the Project and highlighting its potential to become one of the lowest cost, large scale strategic coal suppliers to be developed in Europe.

The Study utilised an updated Coal Resource Estimate ("CRE") for the Project which comprises a Global CRE of 728Mt including an Indicated Resource of 181Mt from two coal seams, the 391 and 389 seams. The PFS incorporated a mine plan based on an initial Marketable Ore Reserve Estimate generated from the indicated resources within the 391 and 389 seams.

Table 4: Jan Karski Mine Resource JORC Coal Resource and Reserve Estimate - 389 & 391 Seams	
Coal Seam	**Indicated Coal Resource In-Situ (Mt)**
389	17
391	164
Total	**181**
Probable Recoverable Coal Reserves (Mt)	**170**
Probable Marketable Coal Product (Mt)	**139**

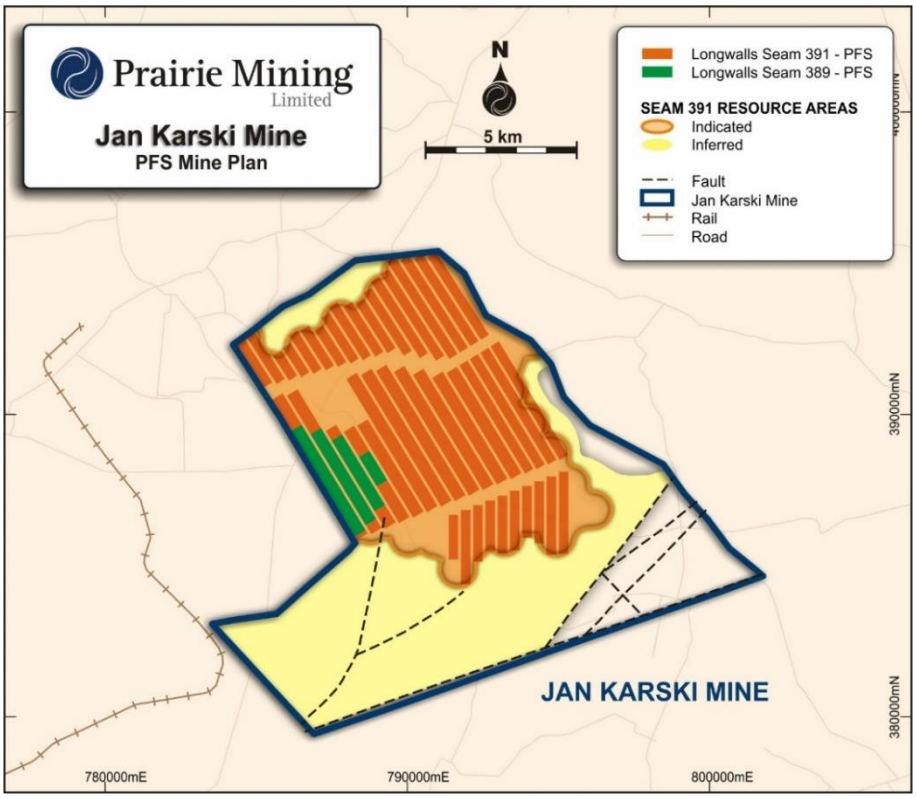

Figure 6: Seam 389 & 391 Resource Areas

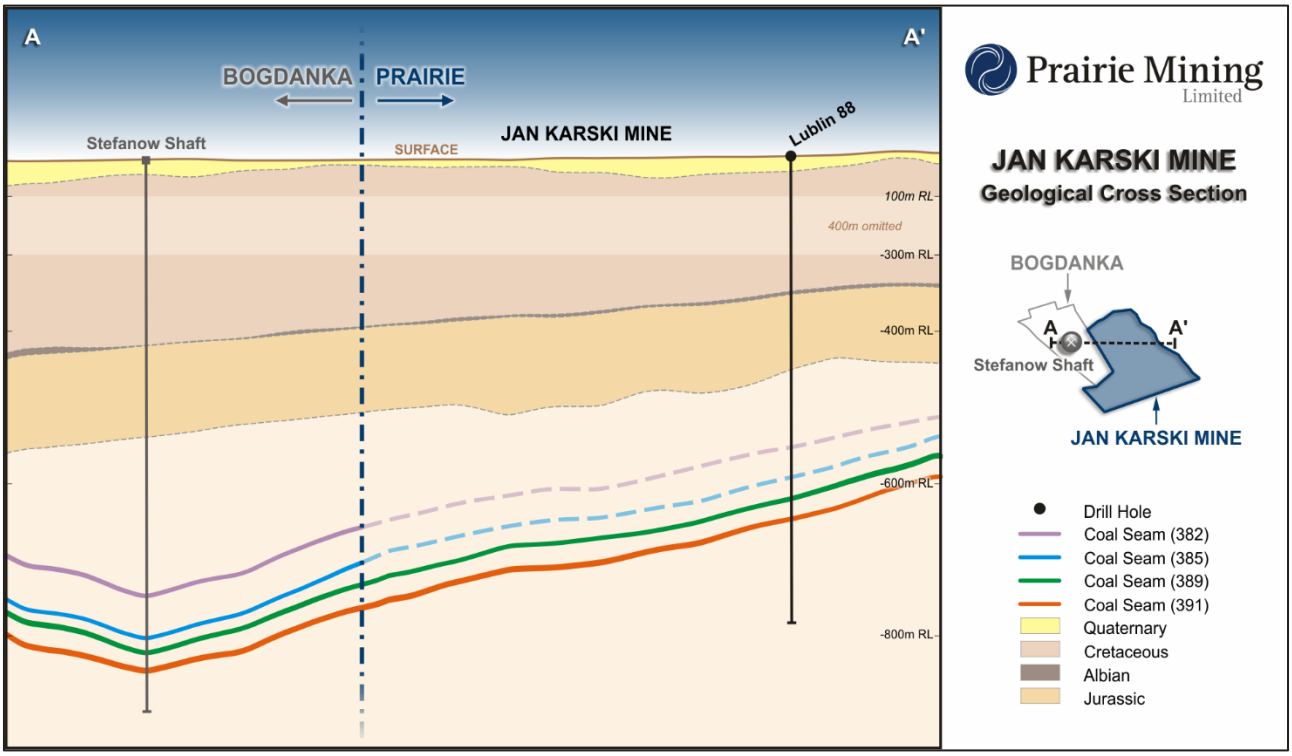

Figure 7: Geological Cross Section of Coal Seams at Jan Karski

Note: Average in-situ seam quality reported at LW Bogdanka S.A concession: Seam 382 (Ash: 13.12%, CV: 26,427kJ/kg, S: .1.40%, Seam 385/2 (Ash: 8.37%%, CV: 25,972kJ/kg, S: 1.11%), Seam 391 (Ash: 8.17%, CV: 28,746kJ/kg, S:1.24%)

Source: "Expert's Report on Valuation of LW Bogdanka S.A. Geological-Mining Assets for the Prospectus Needs" – English Translation – 15.05.2009

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 announcement that relates to Exploration Results is based on, and fairly represents information compiled or reviewed by Mr Jonathan O'Dell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Dell is a part time consultant of the Company. Mr O'Dell has sufficient experience that 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 as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Dell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Coal Resources and Coal Reserves was extracted from Prairie's announcement dated 8 March 2016 entitled "Pre-feasibility Study Confirms LCP As One of The Lowest Cost Global Coal Suppliers Into Europe" which is available to view on the Company's website at www.pdz.com.au.

The information in the original announcement that relates to Coal Resources is based on, and fairly represents, information compiled or reviewed by, Mr Samuel Moorhouse, a Competent Person who is a Chartered Geologist and is employed by independent consultants Royal HaskoningDHV UK Limited. Mr Moorhouse has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to Coal Reserves is based on, and fairly represents, information compiled or reviewed by Mr Maarten Velzeboer, a Competent Person, Member of the Institute of Materials, Minerals and Mining (MIMMM). Mr Velzeboer has worked in deep coal mines in New South Wales and Queensland in Australia and the Karaganda Coalfield in Kazakhstan. Mr Velzeboer has been engaged in a senior capacity in the design and development of proposed mines in Queensland, Australia, Botswana and Venezuela. Mr Velzeboer is employed by independent consultants Royal HaskoningDHV. Mr Velzeboer has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Prairie confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcements; b) all material assumptions and technical parameters underpinning the Coal Resource and Coal Reserve included in the original announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this presentation have not been materially modified from the original announcements.

JORC Code, 2012 Edition – Table 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Coal cores were taken from continuous cores in the Carboniferous sections of the boreholes. • Assessment of coal quality and type is based on the results of laboratory tests of the coal samples taken from the borehole cores. • All seams equal to or thicker than 0.60 m were analysed. • Dirt (rock) partings in-seam less than 0.05 m were included in the coal sample and analysed with the coal. • Dirt partings equal to, or thicker than 0.05 m were analysed separately. • Average core yield was 100%. Core yield for the target seam 391 was 100%, confirmed by core measurement and geophysics.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The borehole was drilled open hole to 16 m below the base of the Jurassic, approximately 707 m, and cased. Continuous coring was used in the in the coal measure strata below. Core diameter was 85 mm (PQ).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• During the drilling of the borehole, coal samples were collected from the drill core using methods that were standard for the coal industry in Poland (according to GWP and international standard ISO 14180:1998(E) – Solid mineral fuels – Guidance on the sampling of coal seams) • Core recovery was determined for the coal samples by measuring the lengths of recovered core and weighing broken/fragmentary core and calculating length to provide an overall recovery length and percentage as compared to the drilling depths. Final checks are provided by comparison with thicknesses determined from the suite of geophysical logs. • Core recoveries were recorded for each core run and for individual seams. • There is no known relationship between recovery and quality. • All cores were photographed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The cores have been logged and analysed in sufficient detail to support this announcement. Cores were analysed by Centralne Laboratorium Pomiarowo- – Badawcze Sp. z o.o. laboratories certified to Polish national standards and at Infrastructure and Energy, Socotec House Bretby who are certified to international standards. The results are considered fit for purpose. • Detailed borehole records are presented in the "Borehole Documentation" which contains the written description, graphic log (borehole card) and details of analyses and interpretations, including the final accepted seam thicknesses. • The Carboniferous section was fully cored and logged throughout.
Sub-sampling	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Cores were not split but sampled as whole core as is standard practice with coal core. Detailed core

Criteria	JORC Code explanation	Commentary
techniques and sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	recovery measurements were made allowing assessment of the representative nature of the core analysed. Cores were wrapped in plastic to prevent moisture loss prior to analysis. The target seam was sampled as soon as practicable, double packed in plastic bags which were purged with nitrogen gas and kept refrigerated during transport and prior to analysis. (In accordance with Australian best practice for the sampling of coking coals)
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Laboratory procedures were to the standard industry practices. • Geophysical logs used in the boreholes include natural gamma, density (gamma gamma), acoustic scanner, dual laterolog and caliper logs. These are of sufficient quality to be used for quantitative (i.e. seam thickness) determinations. • The laboratories used are accredited to national and international standards and have adequate quality control practices including analysis of standards and participation in “round robin” exercises.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geological supervision over all drilling works was performed by geological staff contracted to PDCo, the Company’s 100% owned Polish subsidiary, who are qualified and licensed according to Polish Geological and Mining Law • These geological staff also performed detailed core logging. • Twinned boreholes were not used. • Primary data is held as hard copy (laboratory certificates etc.) and this has been transferred to electronic spreadsheets. • No adjustments have been made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The borehole location has been accurately determined and surveyed in the Poland CS2000, zone 8 grid system. • Detailed topographic maps are available.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• This announcement of exploration results relates to a single borehole, Kulik 1. • Sample compositing has not been used.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling*	• The borehole was nominally vertical and the coal seams have low to moderate dip and relatively simple structure and so there is no structural or orientation bias to the sampling. • The borehole has been surveyed for verticality with

Criteria	JORC Code explanation	Commentary
geological structure	*orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	maximum deviation of approximately 29 m at a depth of 1037.50 m.
Sample security	• *The measures taken to ensure sample security.*	• All core samples were handled by staff contracted to PDCo under supervision of a licenced geologist. Core samples were marked for way up orientation placed in plastic in fully labelled wooden core boxes. These staff also undertook core sampling and in the case of the target seams this was supervised by consultants contracted to Prairie Mining.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data and techniques have been reviewed by the Competent Person and are considered adequate and appropriate.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Prairie has held the exploration licences to five exploration concession areas that constitute the Jan Karski Mine: Cycow (K-6-7), Syczyn (K-8), Kulik (K-4-5), Kopina (K-9) and Sawin-Zachód. • On 1 July 2015, Prairie announced that it had secured the Exclusive Right to apply for, and consequently be granted, a mining concession for the Jan Karski Mine. • As a result of its geological documentation for the Jan Karski Mine deposit being approved, Prairie is now the only entity that can lodge a mining concession application over the Jan Karski Mine within a three (3) year period up and until April 2018. In addition, Prairie has the right to apply for and be granted a mining usufruct agreement for an additional 12 month period that precludes any other parties being granted a licence over all or part of the Jan Karski concessions. Prairie applied for a mining usufruct agreement in December 2017. • The approved geological documentation covers an area comprising all four of the original exploration concessions granted to Prairie (K-4-5, K-6-7, K-8 and K-9) and includes the full extent of the targeted resources within the mine plan for the Jan Karski Mine. In this regard, no beneficial title interest has been surrendered by the Company when the K-6-7 exploration concession expired last year. The Company intends to submit a mining concession application, over the mine plan area at Jan Karski (which includes K-6-7) prior to April 2018. Under Polish mining law, and owing to the Exclusive Right the Company has secured, Prairie is currently the only entity that may apply for and be granted a mining concession with respect to the K-6-7 area (the Exclusive Right also applies to the K-4-5, K-8 and K-9 areas of Jan Karski). There is no requirement for the Company to hold an exploration concession in order exercise the Exclusive Right and apply for a mining concession. • Prairie's approved geological documentation did not include the Sawin-Zachód concession.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is a Carboniferous hard coal consisting of coal seams separated by units of mudstone and sandstone.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• X: 5678988 Y: 8444070 (Polish CS2000 zone 8)
		• H: 187.8 m a.s.l
		• Nominally vertical, deviation approximately 29 m at 113º at base of hole.
		• Hole length/depth – 1,037.50 m (drilling)

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Coal seams have normally been sampled as one continuous sample. Dirt partings of 5 cm in thickness or less have been sampled with the coal.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The boreholes are nominally vertical and the coal seams form part of a stratiform deposit dipping at approximately 0 – 5 degrees. • Intercept lengths used in the model are drill intercept lengths which will be modelled in 3D removing the need to calculate the true thickness. Because of the very low dip the difference between intercept thickness and true thickness is not significant.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical*	• Not applicable.

Criteria	JORC Code explanation	Commentary
exploration data	*survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Prairie Mining may drill further boreholes if deemed appropriate.