



Prairie Downs Metals
Limited

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ASX RELEASE

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Resource Upgrade - Prairie Downs Zinc Project

Prairie Downs Metals Limited has updated mineral resources for the Prairie Downs Zinc Project. The new resource statement includes results from the latest drill program and shows the project hosts total mineral resources of **one million tonnes at a grade of 8.3% zinc, 1.7% lead and 22g/t silver**. This is a substantial increase in grade from the previous resource, which had an overall zinc grade of 5.7%.

The resource is hosted by three lodes, the Main Lode, East Lode and Volcanic Breccia Lode, which all remain open at depth and/or along strike. Extensions to these lodes will be targeted in the next drill program; however it is important to note that these lodes only represent a small part of the known mineralisation at Prairie Downs.

An important advance in the updated resource statement is that the entire Main Lode resource has now been upgraded to an Indicated Mineral Resource of 802,000 tonnes at a grade of 8% zinc, 1.7% lead and 21g/t silver. Previously, most of the Main Lode resource was in the Inferred category. This lode commences at surface and is immediately adjacent to the deeper East and Volcanic Breccia lodes.

The East Lode is a new high grade discovery with a resource grade of 11.9% zinc, 3.0% lead and 47g/t silver. This substantially exceeds the Company's target grade of 10% combined zinc and lead. The East Lode remains open at depth and along strike with geological and geophysical evidence suggesting that it may have a total strike length of up to one kilometre. Only a small portion has been drilled to date and further drilling in the next program may considerably increase tonnage for this lode.

The Volcanic Breccia Lode is of note because it appears to be a conduit or pathway for zinc mineralisation, rather than a depositional site as is the case with the Main Lode. This has exciting ramifications for future discoveries at Prairie Downs as it suggests that the most significant mineralisation has yet to be found.

The next drill program is scheduled for August with the objective to increase tonnage. Although the focus will be on extending the above three lodes, exploration for new occurrences of mineralisation, particularly associated with the Volcanic Breccia Lode, will be a priority.

RESOURCE STATEMENT

All Main Lode mineralisation has now been upgraded to an Indicated Mineral Resource. The 802,000 tonne resource in the table below is based upon a lower cut of 4% zinc. This resource is a subset of a larger Indicated Mineral Resource of 1,160,000 tonnes at 6% zinc 1.4% lead and 16g/t silver, based upon a lower cut of 1% zinc.

All resources reported in the table below are "JORC compliant".

Lode	Category	Tonnes (t)	Zinc Grade (%)	Lead Grade	Silver Grade (g/t)	Zinc Metal (t)	Lead Metal (t)	Silver Metal (oz)
Main	Indicated	802,000	8.0%	1.7%	21	64160	13634	541,543
Volc. Breccia	Inferred	124,000	6.9%	0.7%	5	8556	868	19,936
East	Inferred	106,000	11.9%	3.0%	47	12614	3180	160,193
Total		1,032,000	8.3%	1.7%	22	85,330	17,682	721,672

Information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr David Broomfield and verified by Mr Mark Hansen, both of whom are Members of The Australasian Institute of Mining and Metallurgy. Mr Hansen 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 as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Broomfield and Mr Hansen consent to the inclusion in this report of the statements based on their information in the form and context in which it appears.

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