ASX RELEASE **8th June 2010**

Updated Resource Statement

KEY OUTCOMES

- **Total JORC Resource of 3.0 million tonnes at a grade of 4.9% zinc, 1.6% lead and 15 grams per tonne silver;**
- **Minor increase in Indicated Resources tonnage which now comprises more than three quarters of the total resource;**
- **Significant reduction in Inferred Resources tonnage;**
- **New geological interpretation demonstrates significant potential for resource additions and highlights the exciting exploration potential of the project; and**
- **Project remains robust with significant competitive advantages.**

Prairie Downs Metals Limited (ASX:PDZ) ("Prairie" or "the Company") has reported a revised JORC resource for its 100% owned Prairie Downs Base Metal Project ("the Project") to include results from all drill programs conducted to date.

The updated resource was completed by Independent specialist mining resource and geological consultants, Optiro Pty Ltd ("Optiro"). The updated resource is based on a complete review and reconstruction of the geological database, a new geological interpretation and a revised geostatistical interpolation.

RESULTS

- Indicated Resources tonnage updated to 2.28 million tonnes from 2.26 million tonnes;
- Inferred Resources tonnage updated to 0.7 million tonnes from 2.40 million tonnes;
- Overall Total Resource grade updated to 6.5% Zn + Pb from 8.1% Zn + Pb;

RESOURCE SUMMARY

The Mineral Resource estimate, reported above a cut-off grade of 1% zinc, is tabulated below.

Table 1 – June 2010 Prairie Downs Mineral Resource

Prairie Downs Mineral Resource - June 2010					
Domain	**Resource Classification**	**tonnes**	**Zinc (%)**	**Lead (%)**	**Silver (ppm)**
Central	Indicated	310,000	5.55	1.69	15.8
East	Indicated	930,000	6.68	1.73	22.2
Main Splay	Indicated	670,000	3.75	1.01	6.3
West	Indicated	360,000	3.88	2.24	11.8
Total Indicated		**2,280,000**	**5.22**	**1.59**	**15.0**
Central	Inferred	220,000	3.62	1.88	18.4
East	Inferred	140,000	5.81	1.73	21.1
Intermediate Splay	Inferred	90,000	4.62	1.69	22.4
Main Splay	Inferred	190,000	3.13	1.24	5.9
West	Inferred	70,000	3.51	1.17	6.8
Total Inferred		**700,000**	**4.03**	**1.58**	**14.9**
Total		**2,980,000**	**4.94**	**1.59**	**15.0**

BACKGROUND

The Project is located approximately 100 km southwest of Newman in the Eastern Pilbara region of Western Australia. The deposit consists of high grade zinc, lead and silver mineralisation hosted in sulphide rich quartz breccia zones adjacent to the Prairie Downs regional fault.

Since the Project was acquired by the Company, four separate resource estimations have been completed by the Company; Hansen and Styles (2005), Broomfield and Hansen (2006), Hansen and Kerr (2007) and, Hansen and Kerr (2008). The first Mineral Resource estimation was conducted manually via sectional interpretation. Successive analyses were conducted by interpolation in a computer model.

Prior to the updated resource statement compiled by Optiro, the most recent resource estimate was announced in February 2008, covering the Main, Gabbro and Zed lodes, totalling 4.7 million tonnes at a grade of 6.3 % zinc, 1.8 % lead, and 18 g/t silver at a nominal 1% zinc lower cut-off (combined Indicated and Inferred Mineral Resource categories).

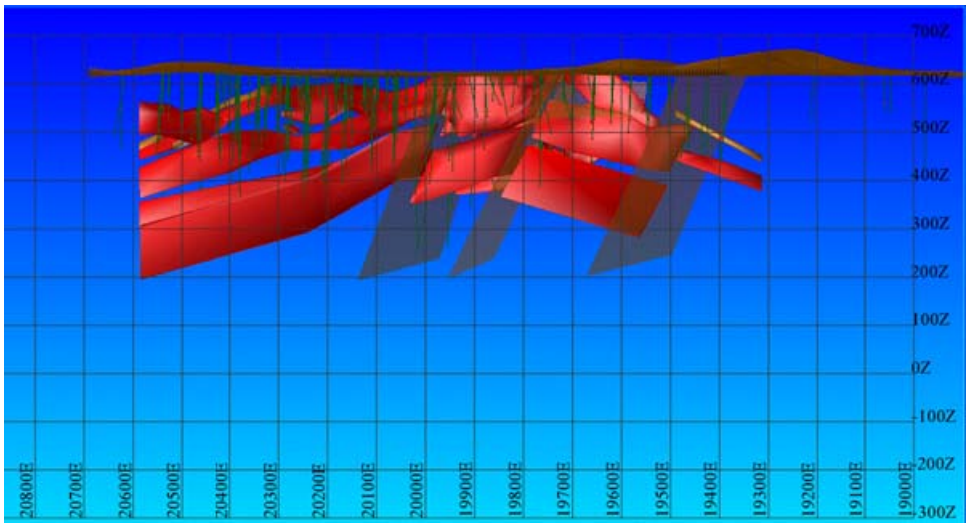
In April 2010 the Company appointed Optiro to confirm the integrity of the Company's database, review sample QAQC data, examine geological and mineralisation interpretations and wireframes, estimate and assign resource attributes into a block model and ultimately deliver and sign off on an updated JORC resource estimate.

Optiro have reinterpreted and updated the Mineral Resource estimate based on an updated geological model which incorporated additional data, including a number of holes drilled since the last Mineral Resource calculation in February 2008.

RESOURCE METHODOLOGY

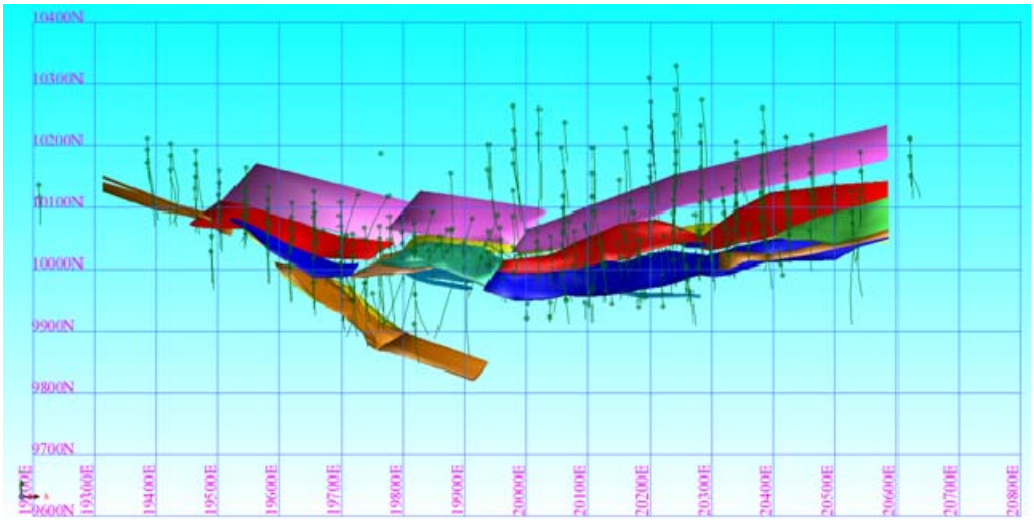
Optiro updated the Company's geological and structural model to incorporate the main Prairie Downs breccia zone which controls localisation of the ore zones. A number of late-stage faults which dissect the main ore zone were also interpreted. Between these fault zones mineralisation was estimated using a 1% zinc cut-off. Figure 1 below shows a three-dimensional view of the interpreted ore zones looking south together with the drilling and the late cross-cutting faults. The field of view is approximately 1,800 m from east (left) to west (right).

Figure 1 –Prairie Downs ore body viewed from the north showing ore zones and drill holes



Ore zones were subdivided by the faults into the Central, Eastern and Western blocks. The other ore zone is the Main Splay (formerly called the Gabbro Lode), which sits in the footwall of the main ore zone and strikes northwest-southeast, in contrast to the main ore zones which strike grid east-west (Figure 2).

Figure 2 – Plan view with north to the top of the page showing ore zones and drill holes (faults removed)



Drillholes were composited to one metre intervals within the wireframed solids and grade was estimated into 10 mE by 5 mN by 5 m RL blocks, with sub cells for volume fill purposes. Variography was carried out on the Central, Eastern, Western, Intermediate Splay and Main Splay domains, and revealed a double plunging system. Estimation was carried out using Ordinary Kriging employing a multiple pass approach. Estimation parameters were determined by systematic kriging neighbourhood analysis.

A default density of 3t/m^3, based upon a suite of specific gravity measurements, was used throughout. The model was validated against input de-clustered composites on a whole domain and on a slice basis.

Classification was carried out according to the JORC Code (2004) and was based upon the criteria of drilling density and estimation quality.

COMPARISON BETWEEN UPDATED RESOURCE AND PREVIOUS FEBRUARY 2008 RESOURCE

Table 2 – June 2010 Prairie Downs Mineral Resource – Comparison with February 2008 Estitmate

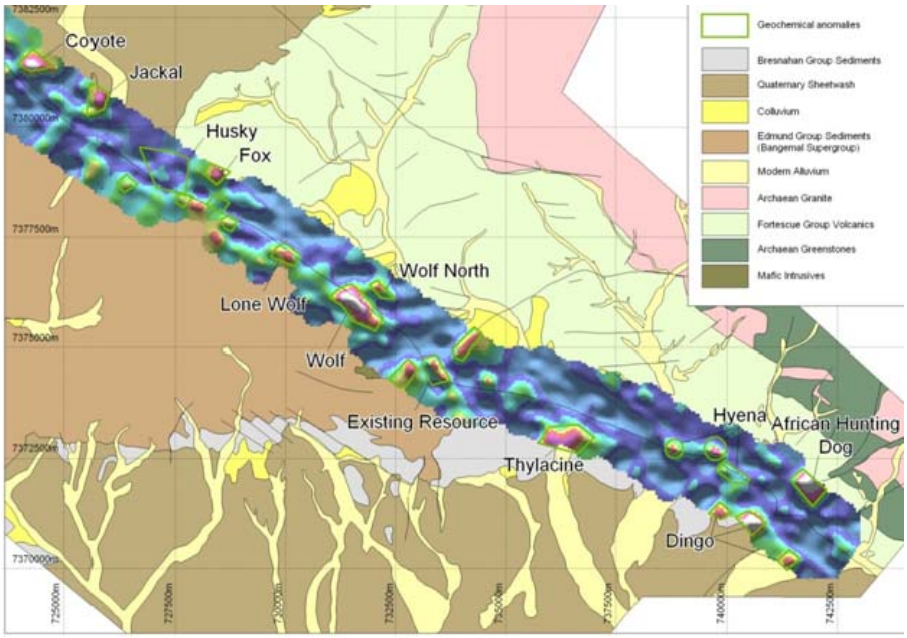
	tonnes	Zinc (%)	Lead (%)	Silver (ppm)
Total Indicated June 2010	2,280,000	5.22	1.59	15
Total Indicated February 2008	2,257,835	7.7	2.1	22
Difference	1%	-32%	-24%	-32%
Total Inferred June 2010	700,000	4.03	1.58	14.9
Total Inferred February 2008	2,397,223	5	1.5	13
Difference	-71%	-19%	5%	15%
Total June 2010	**2,980,000**	**4.94**	**1.59**	**15**
Total February 2008	**4,655,058**	**6.3**	**1.8**	**18**
Difference	**-36%**	**-22%**	**-12%**	**-17%**

EXPLORATION POTENTIAL

The updated resource statement and the detailed and coherent geological interpretation which accompanies it, highlights the enormous exploration potential of the Project.

Prairie holds more than 20km of strike length of the Prairie Downs Fault. Much of this strike contains outcropping silicified breccia, similar to those which host the mineralisation. Prairie recently released results of its geochemical survey along this fault, which revealed 22 zones of zinc anomalism, all of which remain untested (Figure 3).

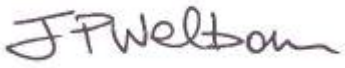
Figure 3 – Prairie Downs Project Geochemical Anomalies



The Company intends to use the newly acquired geological understanding to develop and undertake new drilling programs aimed at extending and duplicating the existing resource. In particular Prairie will focus on untested plunge extensions of both the east and west zones and the main splay. In each of these areas the mineralisation remains open at moderate depths of generally less than 300m.

The Company's exploration program will also target high priority geochemical and geophysical targets in the vicinity of the known deposits. The initial targets to follow up with infill sampling and drilling include splays of the main deposit, the Wolf prospect, and a number of high priority geochemical targets along strike on the regional structure such as Hyena.

Prairie has been approached by a number of experienced and robust mining companies who are interested in significant investment in the Project. These approaches are being evaluated on the basis of the potential benefit for shareholders, the credentials of the potential joint venture partner, and the ability of any joint venture to rapidly advance the exploration and development of the Project and to deliver value for shareholders.



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The information in this report which relates to Mineral Resources is based upon information compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and 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. Ian Glacken consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.