



Prairie Downs

Metals Limited | ASX: PDZ
ABN 23 008 677 852

ASX RELEASE

6 May 2013

DRILLING COMMENCES AT LUBLIN COAL PROJECT

Prairie Downs Metals Limited (“Prairie” or “the Company”) is pleased to announce that it has commenced a drilling program at its 100% owned Lublin Coal Project (“LCP” or “the Project”) located in South East Poland in the Lublin Coal Basin.

Prairie’s Executive Director, Anastasios (Taso) Arima said “The seven hole LCP drilling program will provide additional data that will assist us in updating the coal quality and washability database at the Project. The results from the program will be progressively incorporated into the Scoping Study which we expect to start by June 2013.”

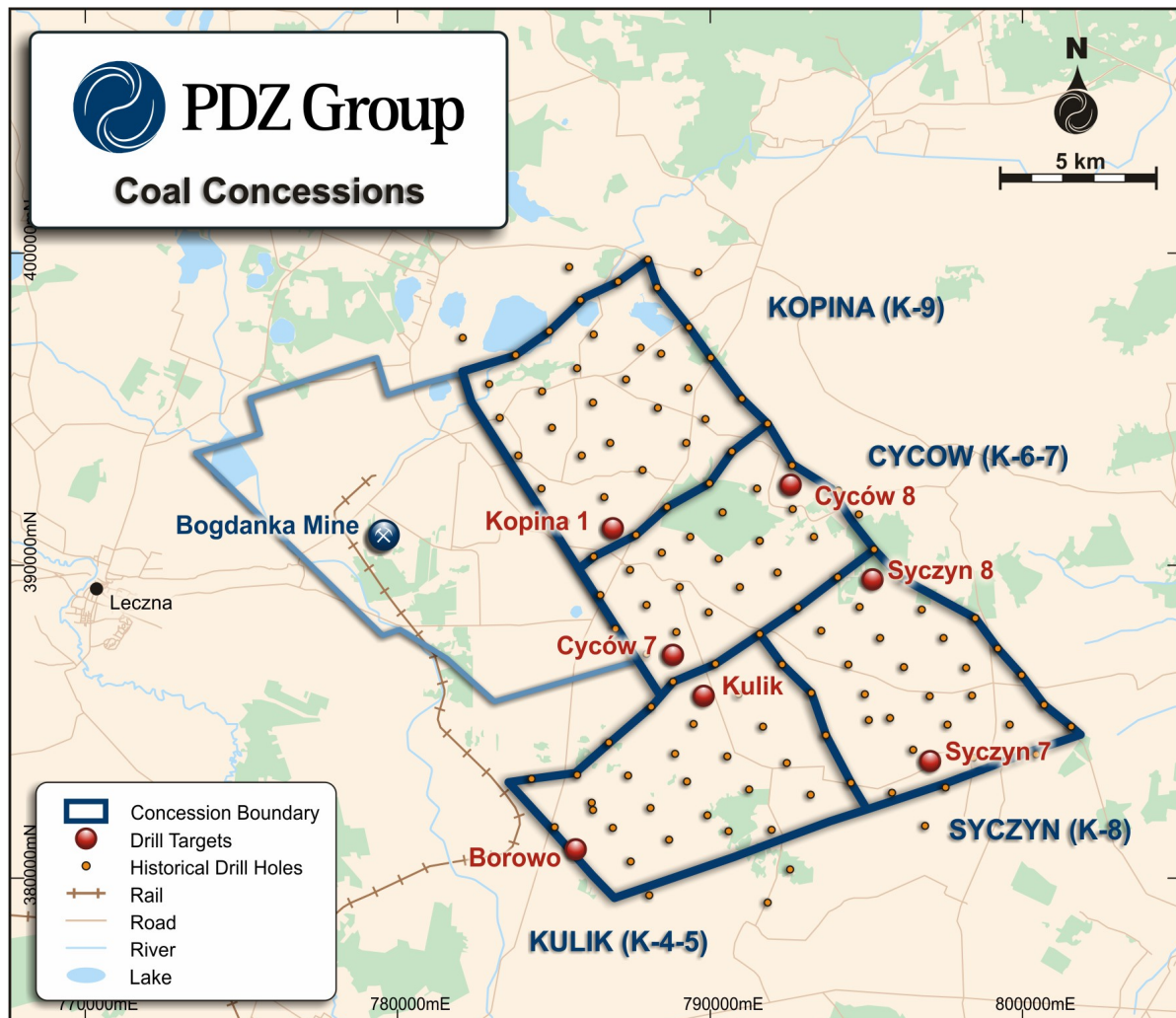


Figure 1: Lublin Coal Project with Drill Hole Target Locations

Exploration and Development Strategy

Planned and future exploration activities to be conducted at the LCP over the coming months include the following:

- Continue with core drilling program of an initial seven holes;
- Update coal quality and washability database with results from the drilling program;
- Strengthen management team with appointment of senior executives; and
- Plan and commence scoping study to delineate potential size and economics of the LCP.



Figure 2: Drill rig on site at Kopina 1 target

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ABOUT THE LUBLIN COAL PROJECT

In August 2012, Prairie successfully secured four (4) coal licenses covering 182km² located in South East Poland in the Lublin Coal Basin (refer to Figure 3 below):

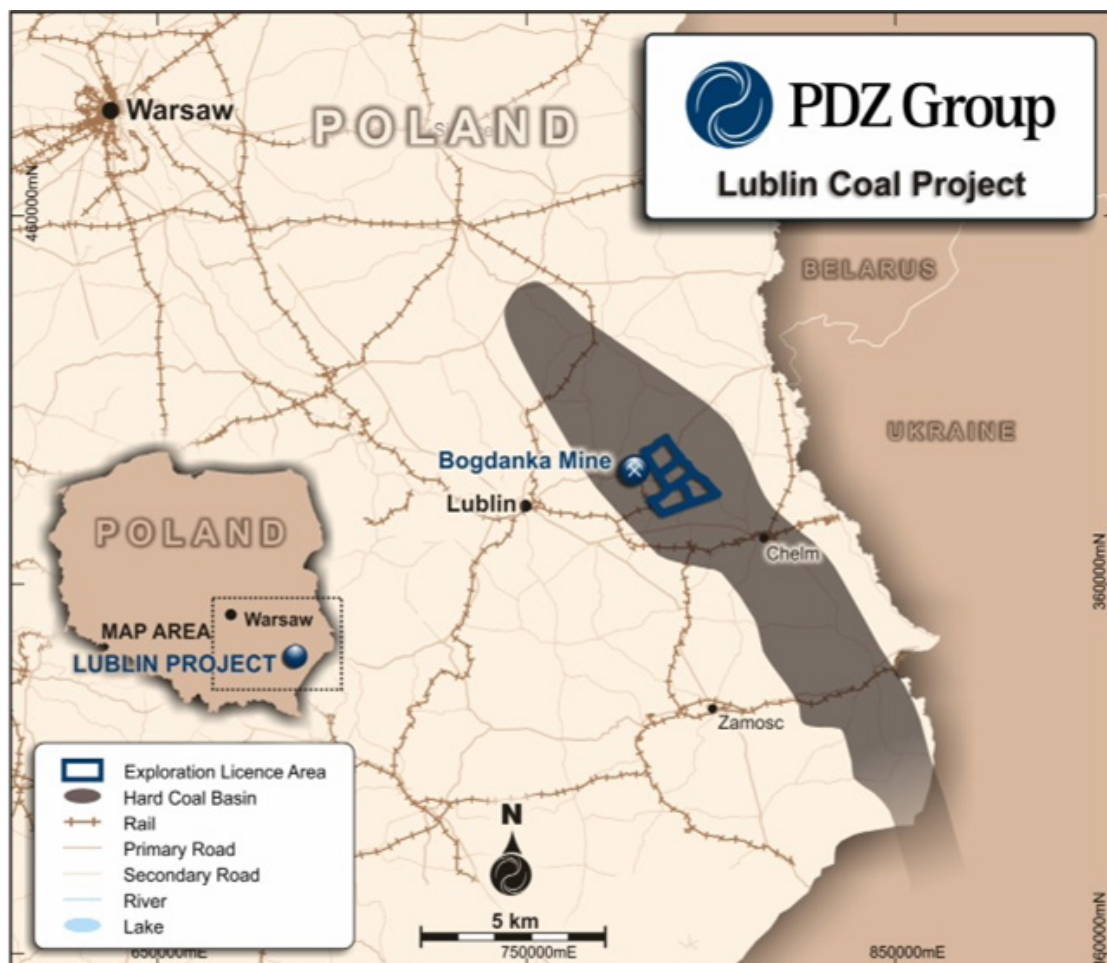


Figure 3: Project Location Map in Poland

The Lublin Coal Basin is an established coal province with coal mining activities dating back to 1982 with established infrastructure, including power and rail. The Project is situated adjacent to the Bogdanka coal mine which is operated by Lubelski Węgiel Bogdanka S.A. ("LWB").

LWB has successfully been able to demonstrate that the Lublin Coal Basin has the potential to host a new generation of large scale coal projects and has recently expanded its production levels to approximately 8 million tonnes per annum (targeting production of 11.5 million tonnes per annum by 2014) of high quality thermal coal.

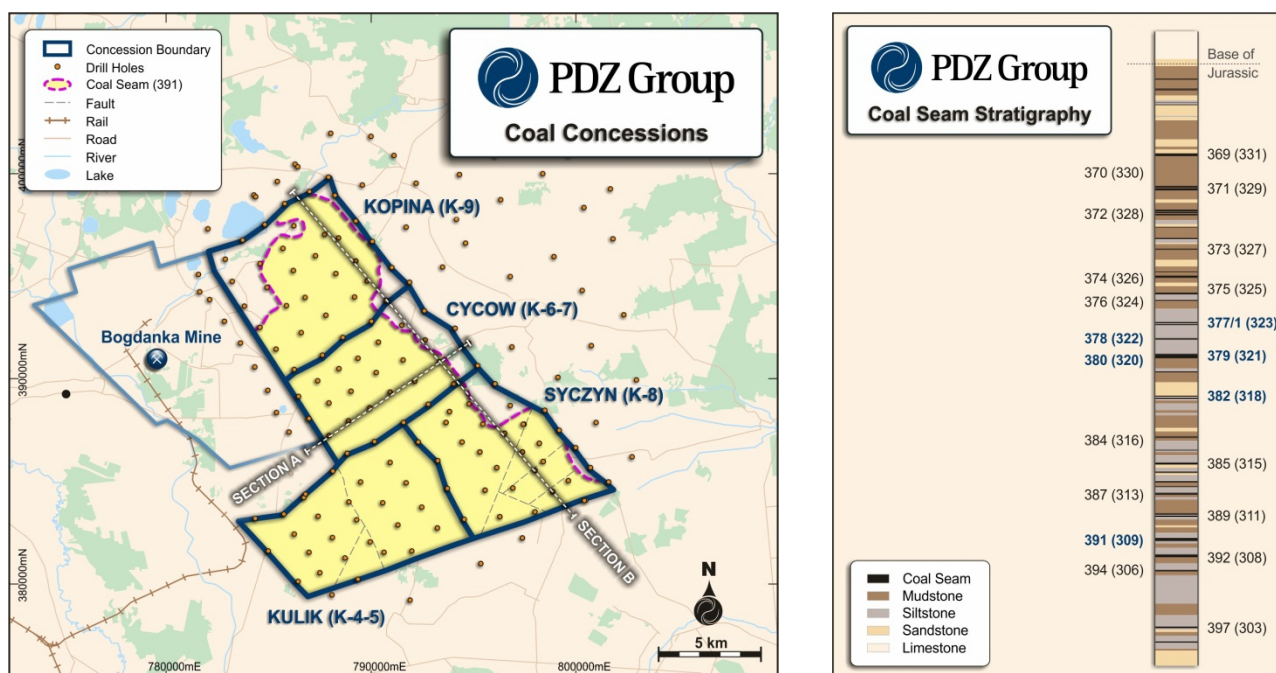


Figure 4: Coal Seam 391 Inferred Resource Area and Generalised Coal Stratigraphy

Maiden Inferred Coal Resource (“MRE”)

A Maiden MRE of 1.6 billion tonnes of high quality thermal coal was estimated at the LCP during the year (Refer to ASX Announcement 14 February 2013). The preparation of the Coal Resource Estimate was undertaken by Wardel Armstrong international (“WAI”), which is a leading geological and mining consulting firm and is highly regarded in the international coal sector, having been involved in the sector for 175 years. Its dedicated coal sector team has operated in all major coal producing countries.

The MRE was based on the review and modelling of over 200 boreholes in around the Company’s coal exploration concessions. Key Points from the work conducted by WAI included the following:

- The total Coal Resource Estimate is 1.6 billion tonnes which is all classified as inferred at this point in time;
- The Coal Resource is defined from 20 coal seams found between 624 metres and 1,091 metres within the four coal exploration concessions;
- The average coal seam thickness is ~1.4 metres and range between 1.0 to 4.6 metres when averaging the borehole seam thicknesses which exceed 1.0 metre; and
- The Coal Quality of the area can generally be defined as a high calorific value coal with relatively low in-situ ash content which would potentially require minimal processing.

Table 1: LCP Inferred Coal Resource (Gross Air Dried)

Coal Seam	391 Seam	379 Seam	382 Seam	Total All Seams
Inferred Tonnage (million t)	327	190	163	1,576
Ash Content	8.4%	14.1%	13.3%	12.2%
Calorific Value	6,894 kcal/kg	6,307 kcal/kg	6,352 kcal/kg	6,484 kcal/kg

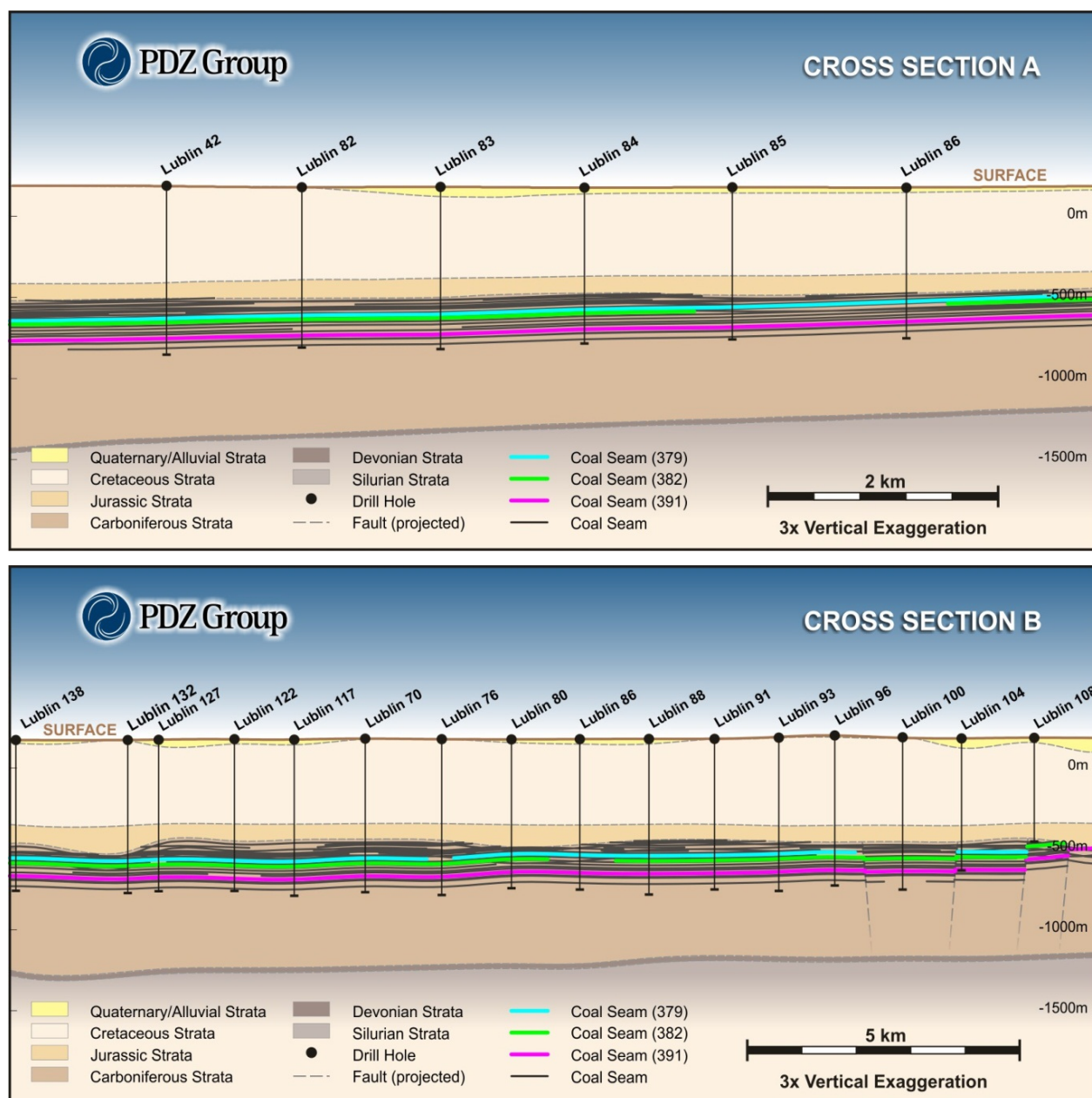


Figure 5: LCP Cross Sections

Competent Person Statements

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and any references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code.

Information in this announcement that relates to Exploration results is based on information compiled by Mr Peter Dryburgh (an employee of independent consultant WAI) who is a Fellow of the Geological Society of London. Mr Dryburgh 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 under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dryburgh consents to the inclusion of the data in the form and context in which it appear.