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PARINGA RESOURCES LIMITED

ABN 44 155 933 010

Equity Raising Investor Presentation

6 April 2017

Equity Raising Overview

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">For personal use only</p> <p>Offer Structure and Size</p>	<ul style="list-style-type: none"> ▪ Equity raising to raise approximately A\$52 million (“Equity Raising”) through a Placement that will take place in two tranches: <ul style="list-style-type: none"> • The first tranche of the Placement will consist of 44.6 million New Shares (“Tranche 1”) issued pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX Listing Rule 7.1A; and • The second tranche will consist of 55.4 million New Shares (“Tranche 2”) and is subject to shareholder approval at a General Meeting planned to take place on or about Monday 22 May 2017. ▪ 100 million new Paringa Resources Limited (“Paringa”) shares to be issued ▪ Paringa has the ability to take oversubscriptions to raise up to an additional A\$10.4 million. The oversubscriptions shares (up to 20 million) will be added to Tranche 2 ▪ New shares will rank equally with existing Paringa shares
<p>Offer Price</p>	<ul style="list-style-type: none"> ▪ Offer price of A\$0.52 per new share, which, as at the last closing price of 6 April 2017 represents a: <ul style="list-style-type: none"> • 16% discount to the last closing price of A\$0.62; • 19% discount to the 5 day VWAP of A\$0.64; and • 13% discount to the 15 day VWAP of A\$0.60.
<p>Use of Proceeds</p>	<ul style="list-style-type: none"> ▪ Proceeds from the Equity Raising will be used to fund: <ul style="list-style-type: none"> • A\$38 million (US\$29 million)¹ for Poplar Grove Mine initial capex (including contingency); and • A\$14 million (US\$11 million)¹ for transaction costs and general working capital. ▪ Post completion of the Equity Raising, Paringa is fully funded to complete the construction of the Poplar Grove Coal Mine through to production and positive cashflow
<p>Syndicate</p>	<ul style="list-style-type: none"> ▪ Argonaut Securities Pty Ltd is the Sole Bookrunner and Lead Manager ▪ Hartleys Ltd and Curran & Co Pty Ltd are Co-Managers

Notes:

(1) Assumed FX Rate AUD:USD 0.7600

Equity Raising Timetable

Key Event	Time / Date ¹ (AWST)
Trading Halt, Announcement of Equity Raising	4:45pm Thursday, 6 April 2017
Bookbuild Opens	5:00pm Thursday, 6 April 2017
Australia / Asia Bookbuild Closes	4:00pm Friday, 7 April 2017
North American Bookbuild Closes	10:00pm Friday, 7 April 2017
Announcement of the Results of the Placement	Tuesday, 11 April 2017
Trading in Paringa Shares Recommences	Tuesday, 11 April 2017
Notice of General Meeting dispatched	Tuesday, 18 April 2017
Settlement of New Shares Issued Under Tranche 1 of the Placement	Thursday, 20 April 2017
Allotment and Trading of New Shares Issued Under Tranche 1 of the Placement	Friday, 21 April 2017
Anticipated General Meeting	Monday, 22 May 2017
Announcement of Results of General Meeting	Monday, 22 May 2017
Settlement of New Shares Issued Under Tranche 2 of the Placement	Friday, 26 May 2017
Allotment and Trading of New Shares Issued Under Tranche 2 of the Placement	Monday, 29 May 2017

Notes:

- (1) The above timetable is indicative only and subject to change. Paringa, in conjunction with the Lead Manager, reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All times and dates are in reference to Australian Western Standard Time

Sources and Uses of Equity & Debt Financing Proceeds

In conjunction with Paringa's current cash balance (US\$6m) and Macquarie Bank Debt Facility¹ (US\$20m), the US\$38M (net) Equity Raising completes the funding required for the development of Poplar Grove Coal Mine

Sources		Uses	
Cash Balance (31 March 2017) ²	US\$6m	Poplar Grove Initial Capex ³	US\$45m
Equity Capital Raising (net of fees) ²	US\$38m	Contingency (10%)	US\$4m
Macquarie Project Loan Facility ¹	US\$20m	General Working Capital ⁴	US\$15m
Total Sources	US\$64m	Total Uses	US\$64m

Notes:

- (1) See ASX announcement "Paringa Secures Fully Underwritten US\$20 Million Debt Facility From Macquarie Bank" dated 5 April 2017. The facility is subject to execution of formal documentation and satisfaction of a number of conditions precedent
- (2) Assumed FX Rate AUD:USD 0.7600
- (3) See ASX announcement "Expanded BFS Confirms Development Pathway to A\$850M NPV" dated 28 March 2017
- (4) Represents other project costs, corporate costs, financing costs, vendor payments, and working capital costs incurred until Poplar Grove operations become cash flow positive

Paringa Pro-Forma Capital Structure

Paringa's success in developing a low capex, low risk and high return resources project is not yet currently reflected in the Company's share price, presenting an excellent entry point for investors

ASX Code	PNL
Pro-Forma Capital Structure	
Shares Outstanding	214 million
Shares to be Issued	100 million
Total Pro-Forma Shares	314 million
Options	18 million
Performance Rights	13 million
JORC Resources & Reserves	
Cash (31 March 2017)	US\$6 million
Equity Capital Raising (net of fees)	US\$38 million
Undrawn Macquarie Project Loan Facility ¹	US\$20 million
JORC Compliant Resource ²	332 million tons
JORC Compliant Recoverable Reserves ³	136 million tons



Notes:

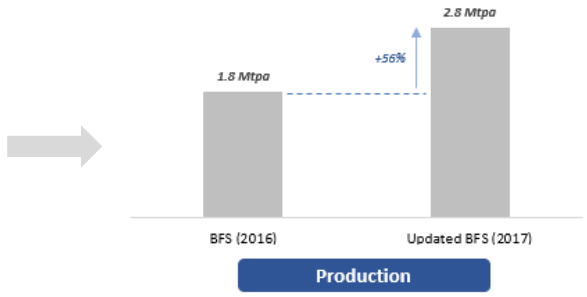
- (1) See ASX announcement "Paringa Secures Fully Underwritten US\$20 Million Debt Facility From Macquarie Bank" dated 5 April 2017. The facility is subject to execution of formal documentation and satisfaction of a number of conditions precedent
- (2) JORC Compliant Resource totaling 332.2 million tons is comprised of 103.6 million tons in the Measured category and 228.6 million tons Indicated category
- (3) JORC Compliant Recoverable Reserves totaling 135.7 million tons is comprised of 43.5 million tons in the Proven category and 92.3 in the Probable Category

Expanded BFS Results

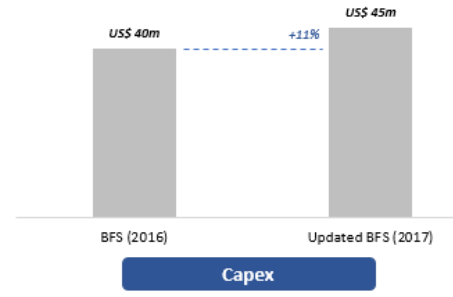
Expanded BFS incorporates the second coal seam (WK No.11) at Poplar Grove, resulting in:

Poplar Grove Mine

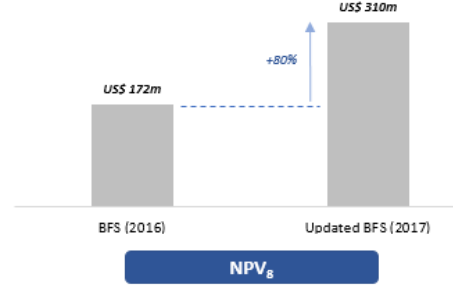
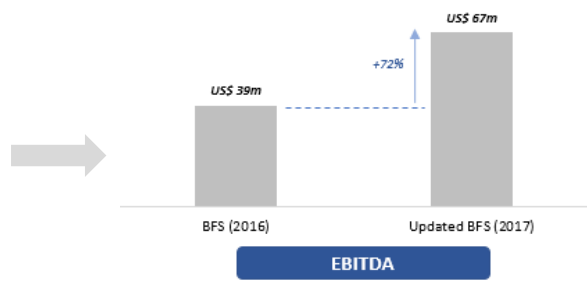
1
56% increase in production to 2.8 Mtpa from an additional US\$5 million initial capex



Enhanced Poplar Grove Metrics



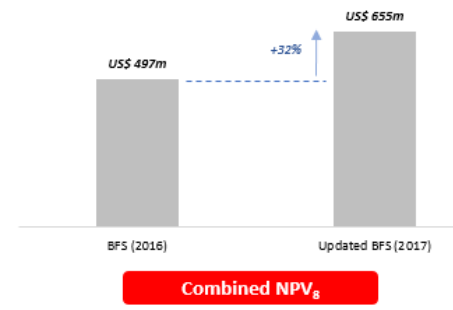
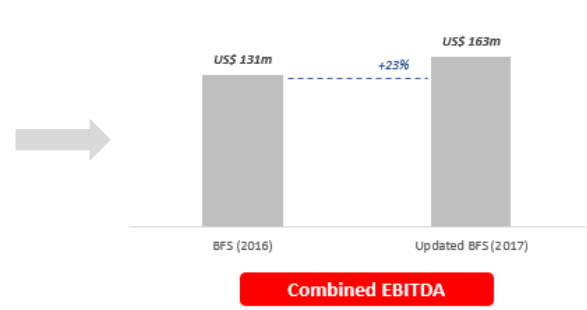
2
72% increase in EBITDA to US\$67 million
80% increase in NPV₈ to US\$310 million



Combined Poplar Grove & Cypress Mines

3
23% increase in EBITDA to US\$163 million
32% increase in NPV₈ to US\$650 million

Enhanced Combined Poplar Grove and Cypress Mines Metrics

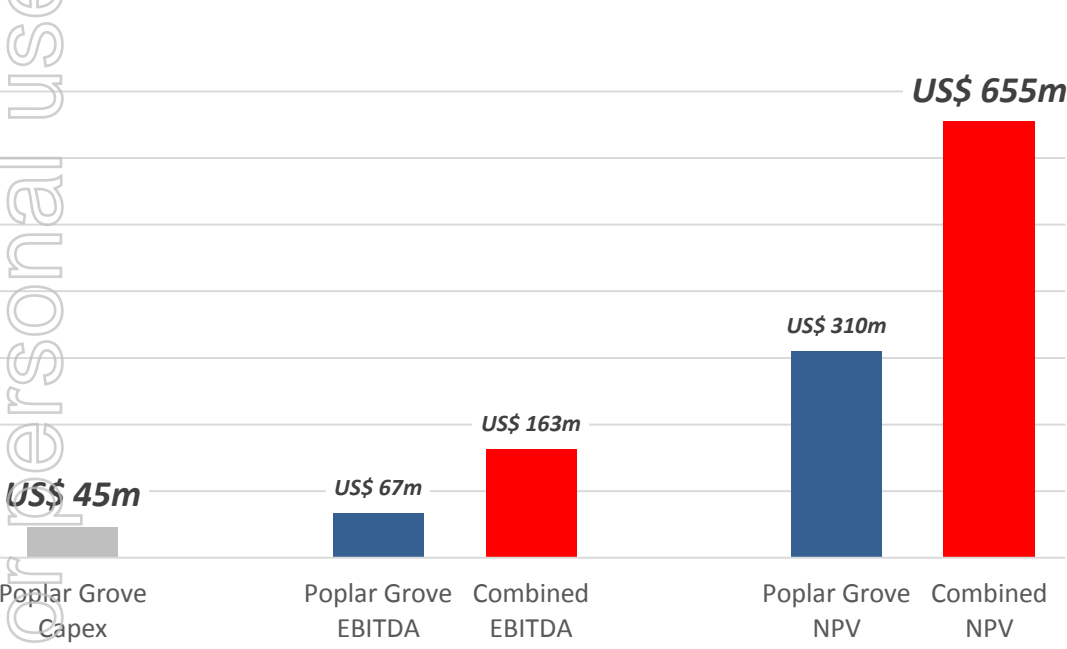


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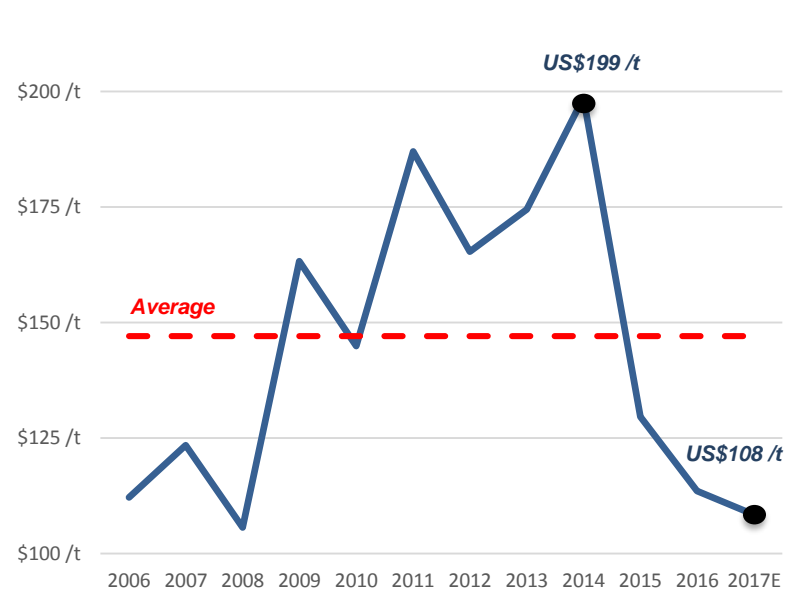
High Returns on Capital

A rare combination of a technically simple, low risk and low cost project, located in a first world business friendly jurisdiction, that will deliver strong, consistent cashflow and generate high returns on capital

High Returns from Low Initial Capex



Alliance Historical EV to Production (US\$, tons)



Source: Curran & Co (relates the combined EV of Alliance Resource Partners and Alliance Holdings)

...BFS results based on sales prices set at the "bottom of the cycle" with significant upside in valuations as Paringa develops into a 6.6 Mtpa Illinois Basin producer

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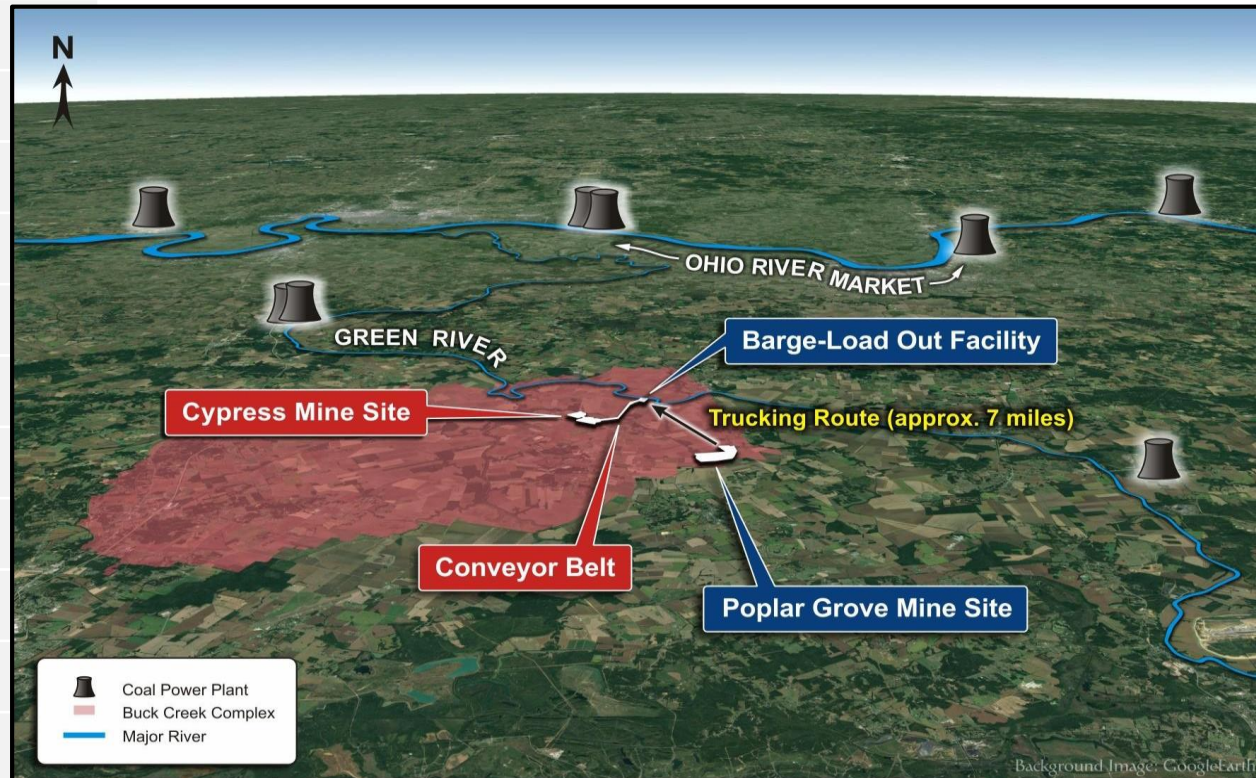
Low Risk Development

Paringa has significantly “de-risked” the Poplar Grove and Cypress Mines through completion of six technical studies, analysis of over +1,200 drill intercepts and geological modelling, benchmarked opex and capex intensity to other Illinois mine operations, cornerstone US\$205 million sales contract secured and completed all permitting to start construction

Buck Creek Significantly “De-Risked”:

Location of Poplar Grove and Cypress Mines and Access to the Ohio River Market

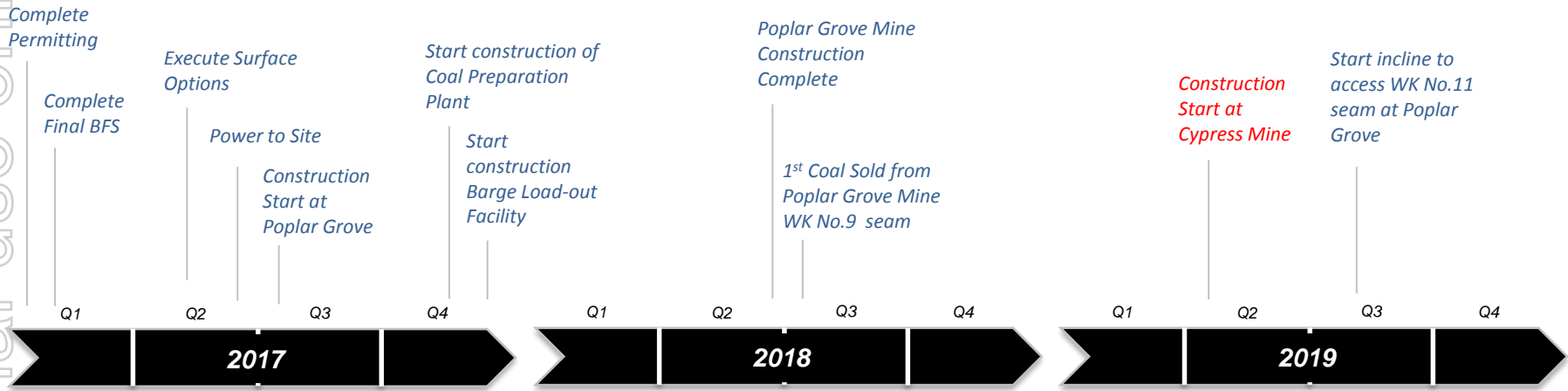
- ✓ Fully permitted to start construction
- ✓ +1,200 coal seam intercepts
- ✓ Low capex mine development
- ✓ Simple “room-and-pillar” operations
- ✓ Simple coal processing techniques
- ✓ Low cost barge transportation
- ✓ US\$205 million sales contract
- ✓ Improving US regulatory outlook
- ✓ Established local mining industry
- ✓ First world business jurisdiction
- ✓ Experienced US construction team



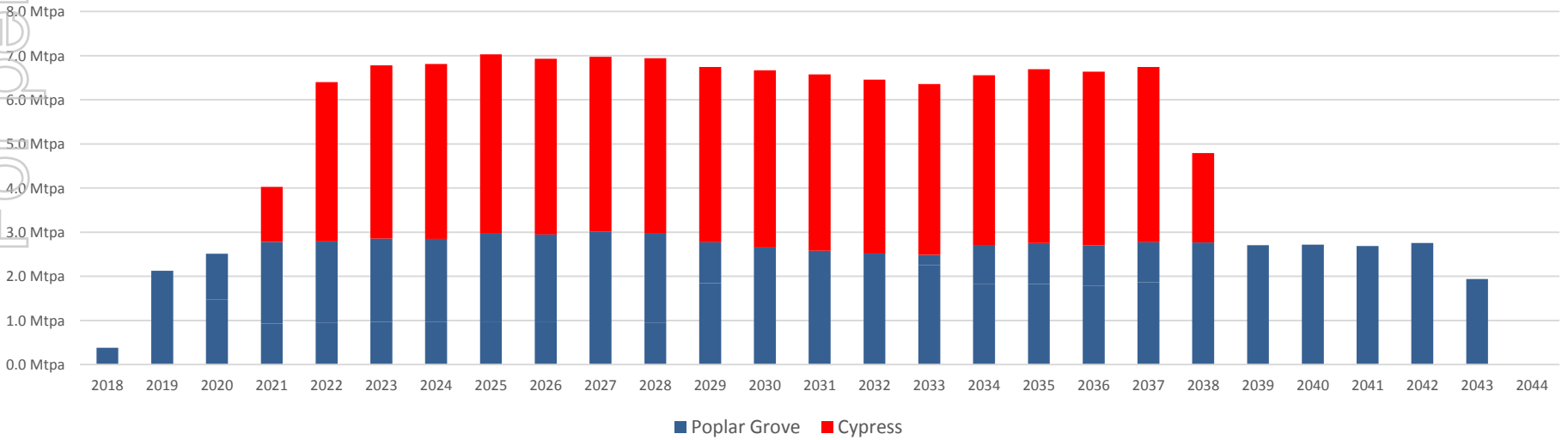
Background Image: GoogleEarth

Fully Permitted to Start Construction

Development Timeline at Poplar Grove and Cypress Mines (2017 to 2019)

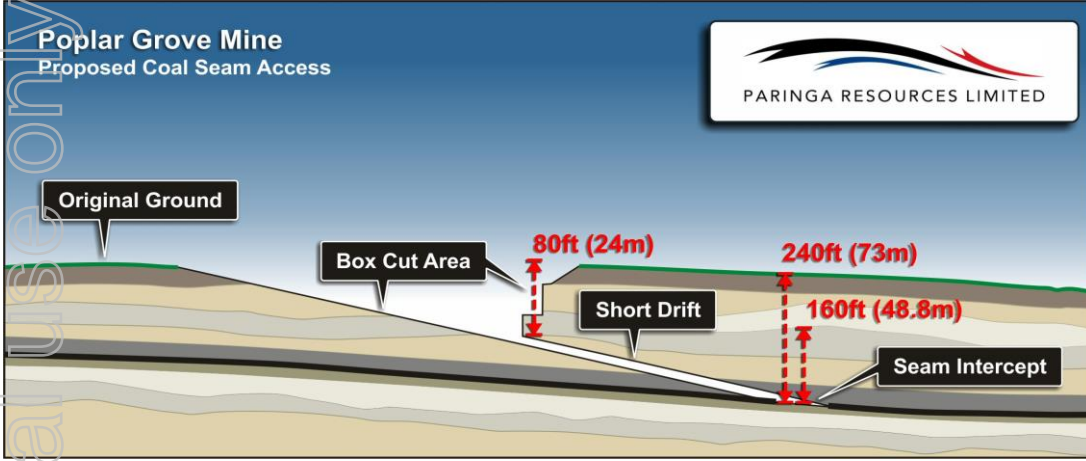


Production Profile at Poplar Grove and Cypress Mines (2018 to 2044)



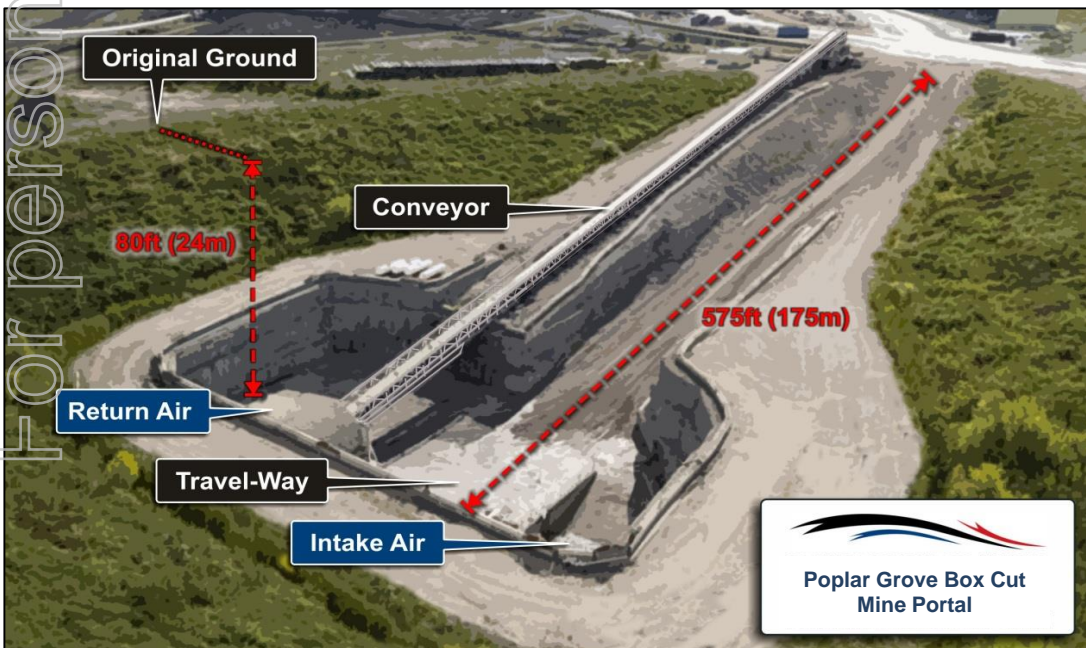
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Low Risk Coal Seam Access



Initial Capex: US\$ 44.7 million

...the geology of the Poplar Grove Mine (WK No.9 seam) allows for a very quick and efficient method of accessing the coal seam which significantly reduces the capital cost and construction period



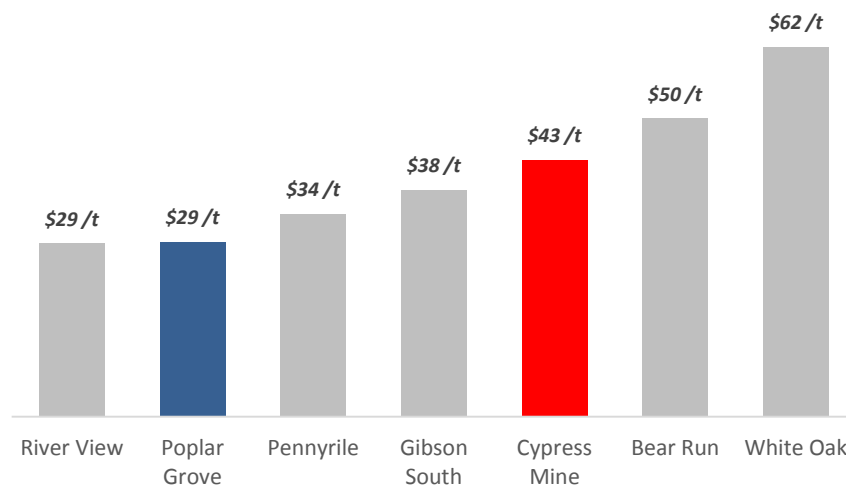
Low Capex Intensity

The capital intensity of Paringa's and low cost development of Poplar Grove and Cypress Mines is in line with recent new developments in the Illinois Basin

Poplar Grove: Initial Project Capex¹

Major Capital Items	US\$ Million
Land Acquisition & Project Management	US\$5.6
Mine Development	US\$16.1
Sub-total Mine Development	US\$21.7
Coal Preparation Plant	US\$12.2
Materials Handling	US\$8.6
Barge Load-out Facility and Road Upgrade	US\$2.2
Sub-total Mine Infrastructure	US\$23.0
Total Initial Capital Cost	US\$44.7 million

Illinois Basin: Capex Intensity²



Capital Intensity of Illinois Basin Recent Mine Developments
(includes cost of leased equipment required to full production)

Notes:

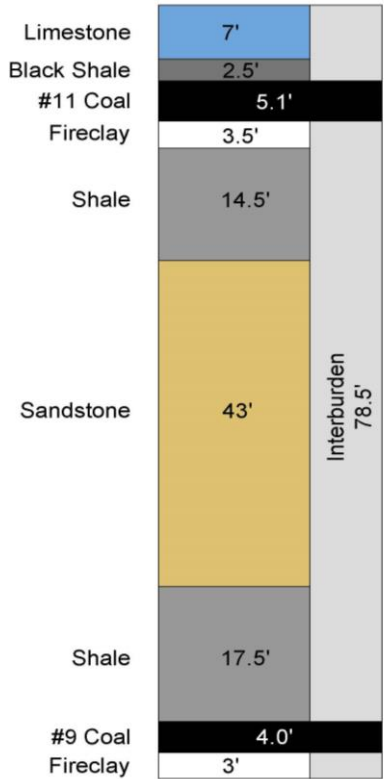
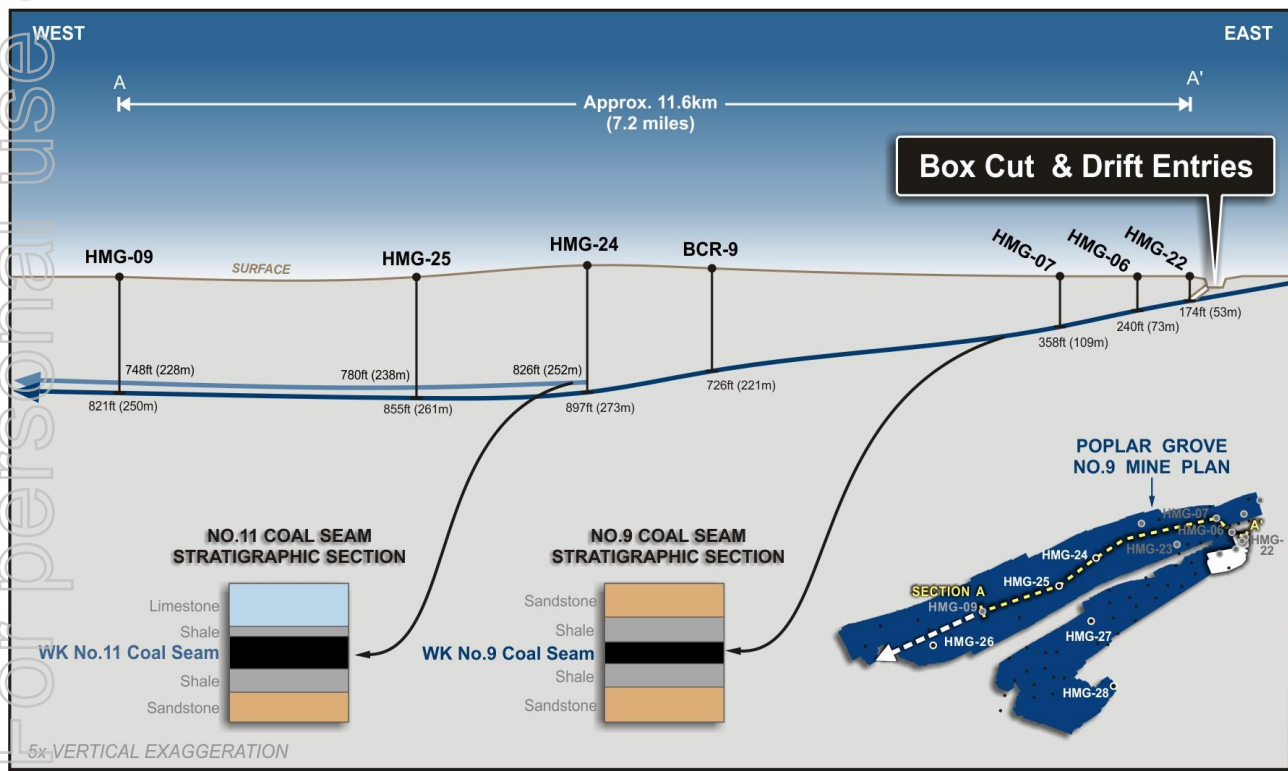
- (1) Represents initial project capital of the Poplar Grove Mine and excludes any contingencies, working capital, financing costs, corporate costs and any remaining vendor payments
- (2) Capital Intensity = Initial Capex + Leased Equipment / Nameplate Production

Low Cost Poplar Grove Expansion

By 2020, Paringa will access the WK No.11 seam with average seam thicknesses of +4.2 feet and clean coal quality characteristics similar to the Poplar Grove Mine's WK No.9 seam

WK No.11 above the WK No.9 seam at Poplar Grove

Stratigraphic Column of Drill Hole HMG-27

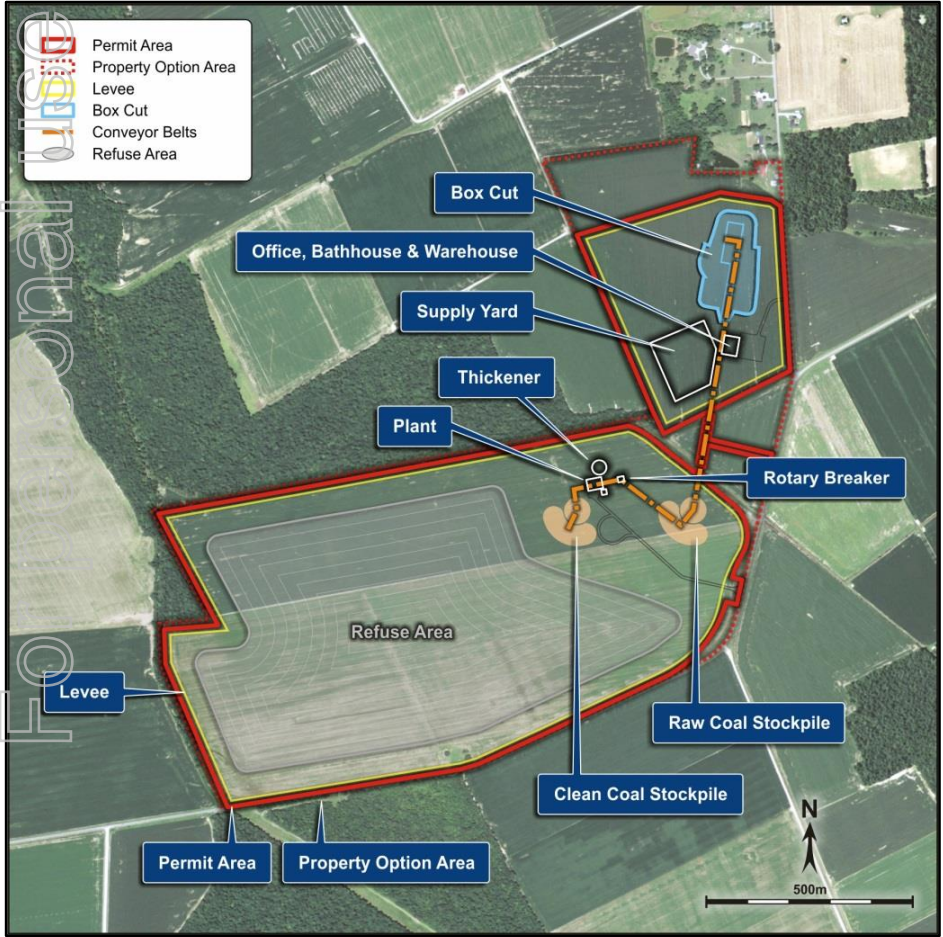


Poplar Grove expansion to the WK No.11 seam will be funded out of project cashflows

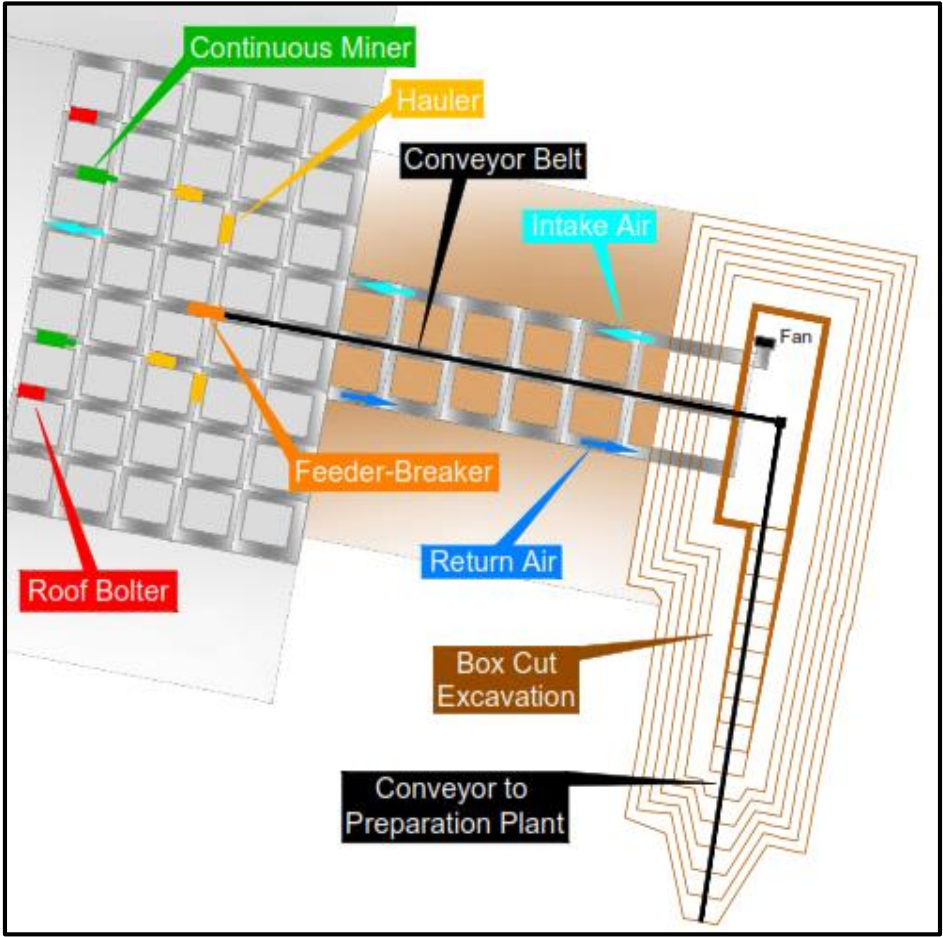
Simple, Low Risk Mining Operations

Paringa aims to replicate the success of nearby operations - mining the same coal seams, using the same mining methods, mining equipment and coal processing, complimenting available infrastructure, low cost and reliable electricity and a wide range of highly skilled non-union workforce and competitive local suppliers

Plan View of Poplar Grove Mine Site



Poplar Grove Underground Mine Operations



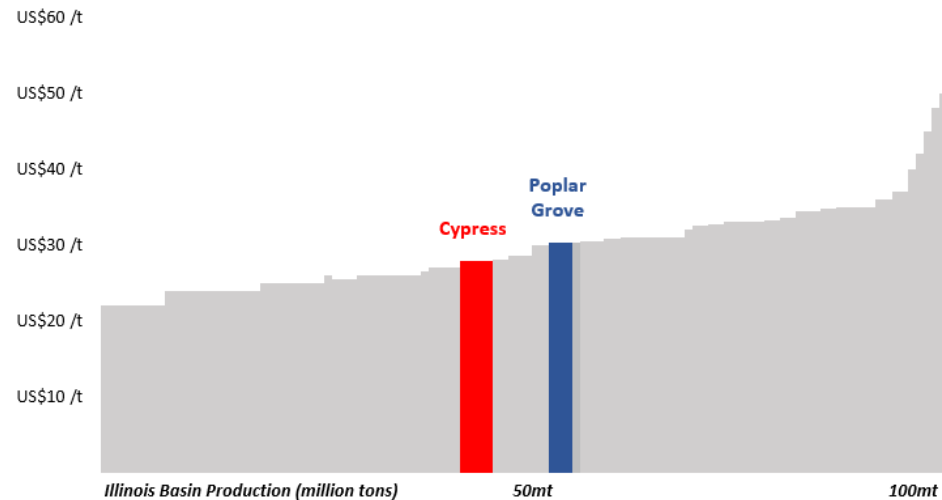
Low Opex

Paringa's and low cost operations are typical for new room-and-pillar developments in the Illinois Basin

Poplar Grove: Opex (FOB Barge)¹

Average Annual Operating Costs (Steady State)	US\$ per ton
Labor and Benefits	US\$7.18
Operating & Maintenance	US\$8.55
Power & Utilities	US\$0.95
General & Administration	US\$0.71
Leased Equipment	US\$1.46
Sub-total Direct Mining Costs	US\$18.85
Coal Processing and Barge Load-Out Facility	US\$3.08
Transportation Costs (Trucking to Green River)	US\$1.65
Taxes & Insurance	US\$3.65
Royalties to Landowners	US\$2.01
Average Annual Operating Costs (FOB Barge)	US\$29.24

Illinois Basin: Cash Cost Curve²



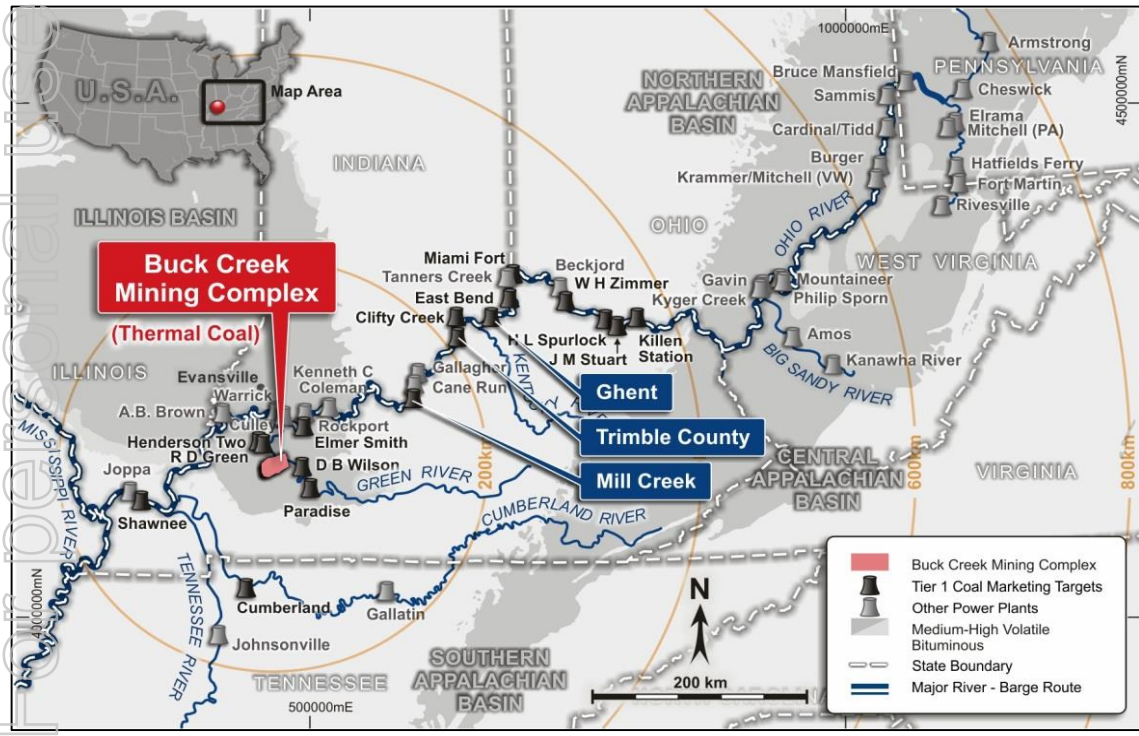
Comparison of Estimated Illinois Basin 2016 Coal "Mine Gate" Cash Costs vs Cypress and Poplar Grove Cash Costs (FOB Barge Green River)

Notes:
 (1) Based on steady state production, inclusive of leased equipment costs, royalties and severance taxes
 (2) Source: Company filings and Independent Third Party Consultant

Secured US\$205 Million Sales Contract

Paringa has successfully secured a US\$205 million fixed price, fixed tons sales contract for delivery of 4.75 million tons from 2018 to 2022 to LG&E and KU, one of the biggest fuel buyers within the Ohio River Market

Ohio River Market and LG&E's 3 Power Plants



Summary of Key LG&E Contract Terms	
Contracted Production	Fixed Contract Price (FOB Barge; 11,200 btu/lb)
0 - 750,000 tons	US\$40.50 per ton
750,001 – 1,750,000	US\$41.50
1,750,001 – 2,750,000	US\$43.00
2,750,001 – 3,750,000	US\$44.25
3,750,001 – 4,750,000	US\$45.75
Total Sales Contract Value	US\$205 million



Contract implies ~30% EBITDA Margins at prices considered to be "bottom of the cycle"

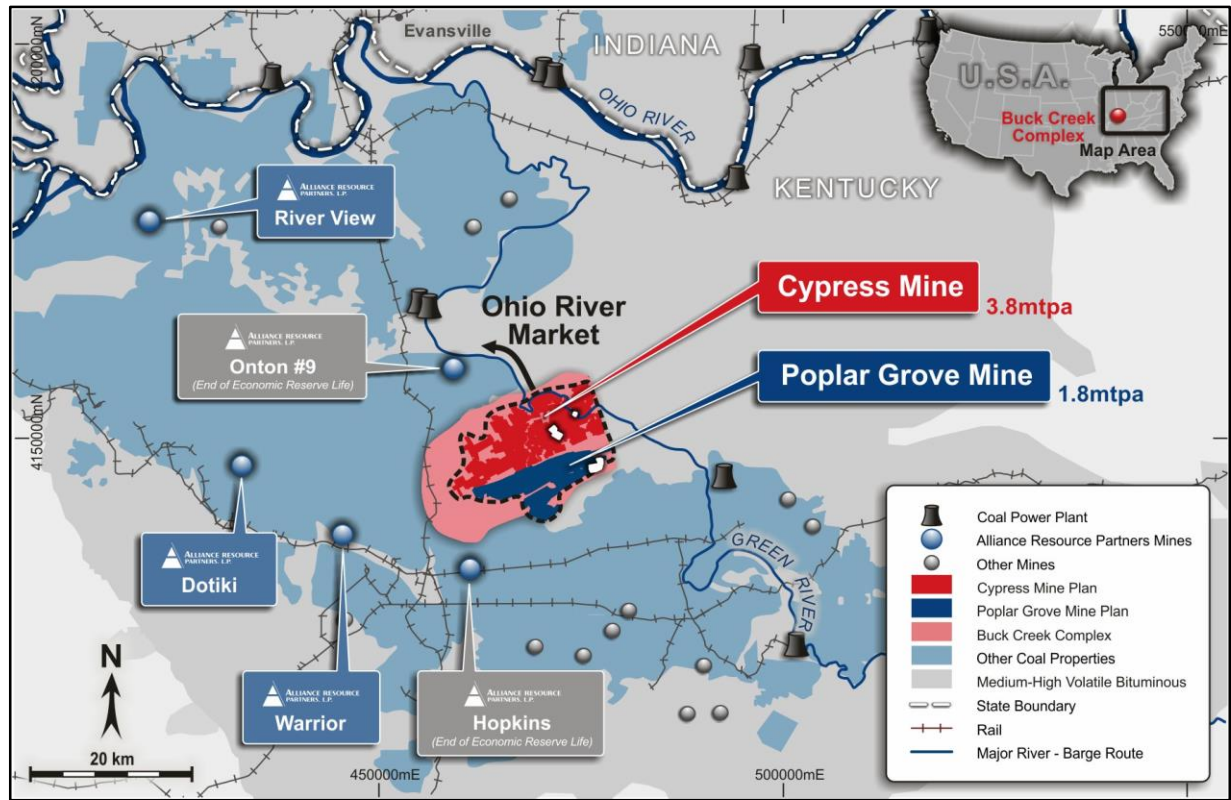
Strategic Illinois Basin Assets

Since 2008, the previous vendor group and Paringa have secured a total of 304 individual leases, comprising of over 510 individual property tracts and covering an area totaling almost 40,000 acres.

Buck Creek Barriers to Entry:

- Mineral rights to the coal are still owned by the surface landowners
- Buck Creek land position is highly fragmented with small parcels of land ownership
- Requires significant costs and time to identify each individual landowner through a court process
- Once the landowner is identified and contacted, requires lengthy negotiations using standard lease terms and conditions
- Paringa has secured 100% of the leases within the Cypress mine plan
- Paringa has secured 100% of the first 10 years of production and a significant portion of the total mine plan

Buck Creek Complex and Surrounding Historical Mining and Current Operations



Team with Extensive Experience

An experienced team with significant experience in the coal industry, particularly the Illinois Basin

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<p>Todd Hannigan CEO</p>	<ul style="list-style-type: none"> Formerly the CEO of Aston Resources Ltd and was instrumental in developing the company into one of the largest publicly listed coal companies in Australia before merging with Whitehaven Resources Limited in a deal valued at over \$5 billion Graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD
<p>David Gay President (US Operations)</p>	<ul style="list-style-type: none"> Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain Business Unit President at Pittston Coal Group (20 years experience) Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers
<p>Nathan Ainsworth VP, Business Development</p>	<ul style="list-style-type: none"> Over 15 years experience in Investment Banking, Investment Advisory and Accounting specialising in the resources industry across North America, Europe, Middle East and Asia CFA Charterholder and member of Institute of Chartered Accountants
<p>Matt Haaga COO</p>	<ul style="list-style-type: none"> Mining Engineer with over 35 years of experience in developing coal resources throughout the USA Business Unit President and Vice President Engineering and Land at Peabody Energy (27 years experience), the world's largest private sector coal company
<p>Rick Kim General Manager</p>	<ul style="list-style-type: none"> Mining Engineer with over 13 years' experience working in the US coal industry managing continuous miner coal operations for Arch Coal and other major US coal producers MBA from the University of Pittsburgh and Bachelor of Mining Engineering
<p>Jim Plaisted Coal Sales and Marketing</p>	<ul style="list-style-type: none"> Former General Manager of Alliance Coal, LLC, subsidiary of Alliance Resource Partners, LP and was responsible for the marketing of coal from all seven of Alliance's Illinois Basin mining operations Instrumental in building Alliance up to a 39Mtpa coal producer which included the development of four "greenfield" coal projects

World Class Board



A high quality Board with mining experience covering the entire cycle of development, financing & production

Ian Middlemas <i>Chairman</i>	<ul style="list-style-type: none">▪ Highly respected resource executive with extensive finance, commercial and capital markets experience▪ Current Chairman of Berkeley Energy Limited, Prairie Mining Ltd & former Chairman of Mantra Resources Limited & Papillon Resources Ltd
Todd Hannigan <i>Managing Director</i>	<ul style="list-style-type: none">▪ Formerly the CEO of Aston Resources Ltd and was instrumental in developing the company into one of the largest publicly listed coal companies in Australia before merging with Whitehaven Resources Limited in a deal valued at over \$5 billion▪ Graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD
David Gay <i>Executive Director</i>	<ul style="list-style-type: none">▪ Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain▪ Business Unit President at Pittston Coal Group (20 years experience)▪ Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers
Tom Todd <i>Executive Director</i>	<ul style="list-style-type: none">▪ Chief Financial Officer of Aston Resources from 2009 to November 2011 and prior to this role, was Chief Financial Officer of Custom Mining, where his experience included project acquisition and funding of project development for the Middlemount project to the sale of the company to Macarthur Coal▪ Graduate of Imperial College, Mr Todd holds a Bachelor of Physics with first class Honours.
Jonathan Hjelte <i>Director</i>	<ul style="list-style-type: none">▪ Mr Hjelte is a highly respected New York-based fund manager and has extensive experience in investment and portfolio management specializing in the mining, utilities, and energy sectors. Mr Hjelte is a portfolio Manager at Citadel LLC▪ Mr Hjelte graduated Summa Cum Laude from Lehigh University where he received an M.S. in Statistics and a B.S. in the Integrated Business and Engineering honors program. He also holds the Chartered Financial Analyst (CFA) designation.
Rick McCormack <i>Director</i>	<ul style="list-style-type: none">▪ Mr McCormack was previously CEO of DRA Taggart (and Taggart Global), global leaders in coal processing plants, having constructed processing capacity in excess of 250 million tons per annum since 2000, including in the Illinois Basin▪ Mr McCormack is a registered Professional Engineer and has Bachelors of Science degree in Mechanical Engineering from West Virginia University.
Taso Arima <i>Director</i>	<ul style="list-style-type: none">▪ Resource company executive with experience in development and funding of resource companies▪ Founder & former Executive Director of Coalspur Mines Ltd having been instrumental in developing Coalspur from a A\$3 million market capitalisation to a A\$1.2 billion market capitalisation company upon his departure

Appendix: Overview of BFS Results

Initial low cost development of the 2.8 Mtpa Poplar Grove, followed by the Cypress Mine, provides a clear pathway to strong, predictable free cashflow, as well as exposure to substantial upside as the production profile increases

Combined BFS Results

Annual Production¹

6.6 Mtpa

Initial Total Capital²

US\$45 million

Average EBITDA³

US\$163 million

Net Present Value⁴

US\$655 million

BFS Summary (Mine Level)	Poplar Grove	Cypress
Annual Production (Steady State)	2.8 Mtpa	3.8 Mtpa
Total Saleable Coal	67 million tons	67 million tons
Mine Life	25 years	18 years
Product Heating Content	11,200 Btu/lb	11,200 Btu/lb
Average Product Yield	76%	76.7%
Underground Mining Method	Room-and-Pillar	Room-and-Pillar
Construction Start Date	Mid-2017	2019
First Coal Production Date	Mid-2018	2021
Ramp-up Period to Full Production	12 months	18 months
Average Annual Opex (steady state)	US\$29.24 /ton	US\$27.37 /ton
Average Annual EBITDA (steady state)	US\$67 million	US\$100 million
Net Present Value (8%, ungeared)	US\$310 million	US\$315 million
IRR	42%	36%

- Notes:
- (1) Nameplate production including both the Poplar Grove and Cypress Mines
 - (2) Represents total initial capital of the Poplar Grove Mine
 - (3) Based on steady state production, inclusive of leased equipment costs, royalties and severance taxes
 - (4) After-tax, ungeared, discount rate of 8%

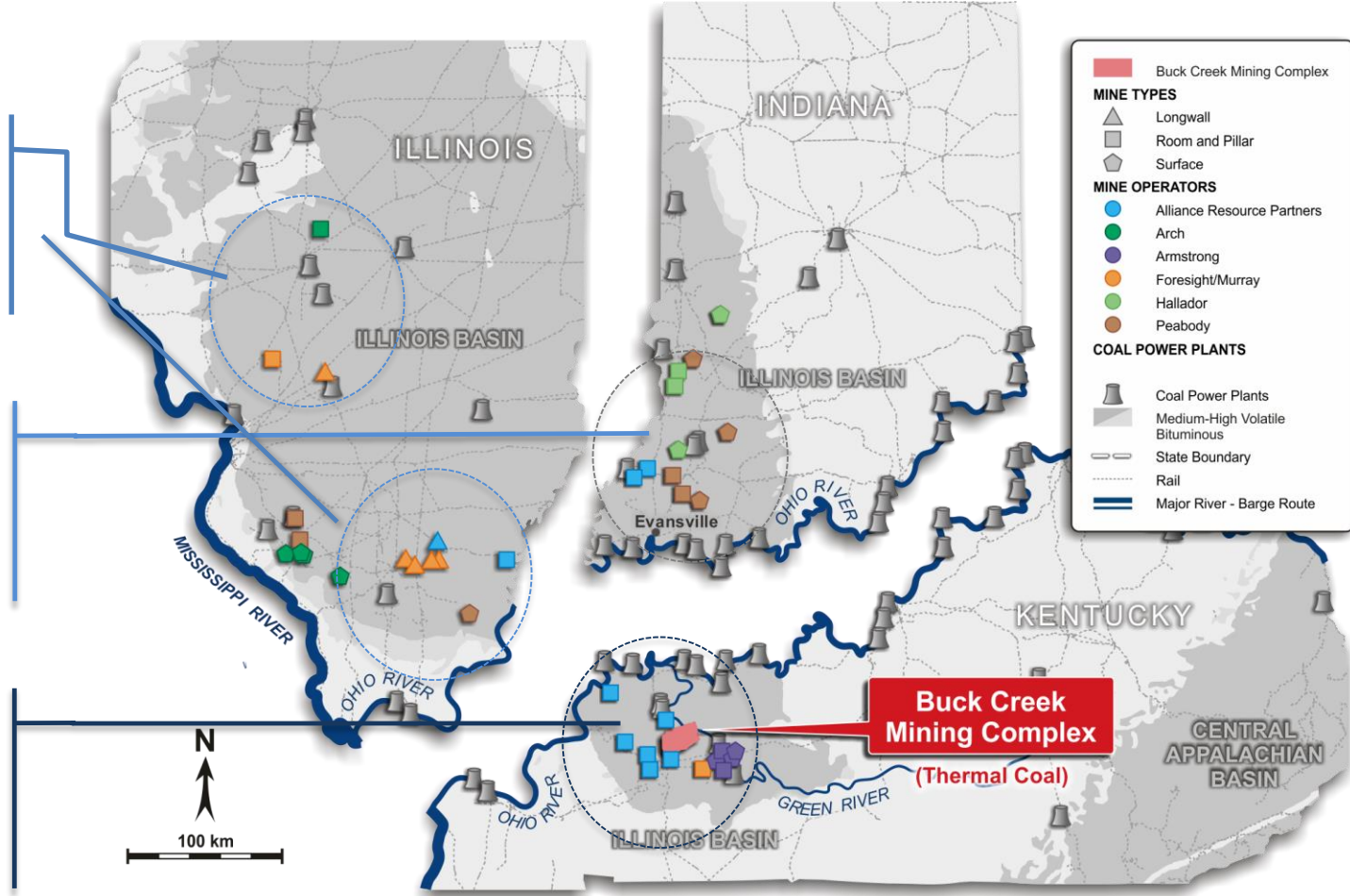
Appendix: Illinois Basin - 3 Distinct Mine Regions

Location, access to low cost barge transportation, coal quality (i.e. chlorine content) and mining methods largely explains key differences in EBITDA¹ amongst the key Illinois Basin players

Illinois
 Mine Method: Longwall
 Target Market: South East
 Transport Method: Rail
 Producers: Foresight/Murray, Alliance

Indiana
 Mine Method: Surface, Room-and-Pillar
 Target Market: Local
 Transport Method: Truck
 Producers: Peabody, Hallador

Western Kentucky
 Mine Method: Room-and-Pillar
 Target Market: Ohio River / South East
 Transport Method: Barge
 Producers: Alliance, Armstrong

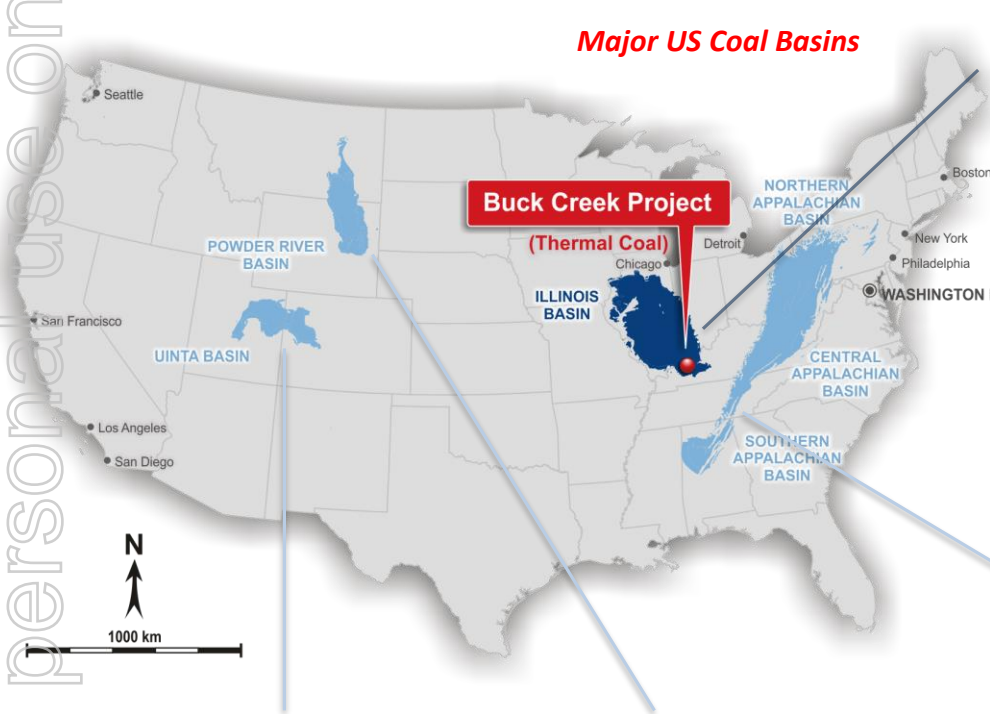


Buck Creek Mining Complex
 (Thermal Coal)

Notes:
 (1) EBITDA means Earnings Before Interest and Expense

Appendix: Illinois Basin - Best Performing US Basin

The Illinois Basin is the only basin that continues to offer disciplined coal producers the ability to generate stable, positive cashflow throughout the cycle



Illinois Basin

- ✓ Highly productive geology (in-seam yield ~90%)
- ✓ High heating content (>11,000 Btu/lb)
- ✓ Low cost underground mining
- ✓ Low capital intensity for room-and-pillar mines
- ✓ Access to low cost barge transportation infrastructure
- ✓ Proximity to Eastern US power markets
- ✓ Favourable mine permitting regime
- ✓ Largely competitive with delivered price of Natural Gas

Uinta Basin

The Uinta basin is a high quality region but is significantly constrained by infrastructure costs

Mining	Underground
Mining Costs	Low
Product	Bituminous coal (>11,000Btu/lb)
Infrastructure	Low (Very high cost to eastern coal markets)

Powder River Basin (PRB)

The PRB is currently the largest producing region of the USA but is typically a low quality thermal coal

Mining	Open Cut
Mining Costs	Very low
Product	Sub-bituminous coal (<8,800Btu/lb)
Infrastructure	Low (Very high cost to eastern coal markets)

Appalachian Basin (NAPP, CAPP & SAPP)

Traditionally split into the Northern, Central and Southern regions all regions are undergoing significant declines due to reserve depletion

Mining	Open Cut, Contour & Underground
Mining Costs	Mid - High
Product	Bituminous coal (>12,000Btu/lb)
Infrastructure	Low – Mid (dependant on region)

Appendix: Key Risks

1.1 Introduction

There are a number of factors, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operation, exploration, development and financial performance and/or financial position of the Company, its prospects, and/or the value of the Shares. Many of the circumstances giving rise to these risks are beyond the control of the Company, the Directors or its management.

Set out below are the areas the Directors regard as the major risks associated with an investment in the Company. However, the following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Company and should be used as guidance only. These risks and uncertainties are not the only ones facing the Company. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Company's business operations, prospects, financial condition and operational results. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business operations, prospects, financial condition and operational results. If any such risks should occur, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances.

There may also be additional risks (including financial and taxation risks) that you should consider in light of your own personal circumstances.

a) Investment Speculative

The Offer of New Shares carries no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for new share offered under the Offer.

1.2 Company specific risk factors

The Directors consider that there are number of risk factors specific to the Company and its circumstances that should be taken into account before a potential investor decides to invest in the Company.

a) Commodity prices

The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD denominated Illinois Basin thermal coal prices and the AUD / USD exchange rate. These prices can fluctuate, and are affected by numerous factors beyond the control of the Company. These factors include weather patterns, demand for alternative energy sources, forward selling by producers, and production cost levels of substitute fuels (such as natural gas). Other factors include expectations regarding inflation, the financial impact of movements in interest rates, coal price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings. Future production from the Company's mineral properties will be dependent upon the Illinois Basin thermal coal price being sufficient to make these properties economic.

If the Company achieves development success which leads to viable mining production, its financial performance will be highly dependent on the prevailing commodity prices.

These factors can affect the value of the Company's assets and the supply and demand characteristics of Illinois Basin thermal coal, and may have an adverse effect on the viability of the Company's development and production activities, its ability to fund those activities and the value of its assets.

b) Capital requirements and debt finance risk

The Company requires further funding in addition to the proceeds under the Offer to fund the development of the Poplar Grove Coal Mine. To meet its further funding requirements the Company has entered into a US\$20 million debt financing facility with Macquarie Bank Limited which is subject to execution of formal documentation and satisfaction of a number of conditions precedent prior to first drawdown, including a requirement for an initial equity commitment to be spent by the Company on project capital and development costs, and certain restrictions on financing and operating activities.

If the Offer is not fully subscribed the Company's ability to fund the Poplar Grove Coal Mine may be adversely affected. If sufficient funds are not available from either debt or equity markets to satisfy the Company's short, medium or long term capital requirements, when required, the Company may be required to limit the scope of its anticipated operations, which could adversely impact its business, financial condition and the value of its Shares.

c) The Company may be adversely affected by fluctuations in foreign exchange rates

The Company operates in the USA where the Company's capital expenditure and ongoing expenditure and sales contracts are denominated in United States Dollars. The Company currently does not engage in any hedging or derivative transactions to manage foreign exchange risk. Upon completion of the Offer of New Shares, the Company intends to convert some or all of the Australian dollar proceeds raised into United States Dollars. As the Company's operations change, its directors will review this policy periodically going forward. There can be no assurance that fluctuations in foreign exchange rates will not have a material adverse effect upon the Company's financial performance and results of operations.

d) The Company has no history of earnings and no production revenues

The Company has no recent history of earnings and has not commenced commercial production on any of its properties. The Company has experienced losses from exploration operations and expects to continue to incur losses until production commences and reaches the required level. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with construction and commercial production of its mines, are added. The amounts and timing of expenditures will depend on the progress of construction activities and production ramp up.

The Company expects to continue to incur losses until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations.

Appendix: Key Risks

e) The Company has limited operating history

The Company has limited operating history on which it can base an evaluation of its prospects. Despite this, members of the Company's Board of Directors and management team have considerable experience in developing and mining of coal projects both globally and within the USA.

The future success of the Company is dependent upon a number of factors, including the successful construction and commissioning of the Poplar Grove Mine.

f) Title to Properties

There are no assurances that the property title for the project is free from defects. There is no assurance that such rights and title interests will not be revoked or significantly altered to the detriment of the Company. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties. Defects in title could limit the Company's ability to recover coal from these properties or result in significant unanticipated costs.

The Company conducted its exploration and development activities on properties that are leased. The mine portal and coal handling and preparation plant will be constructed on land owned by the Company. However, as is standard industry practice in the USA, title to most of the Company's leased properties and mineral rights is not thoroughly verified by an attorney until a permit to mine the property is obtained and substantial construction activities have commenced, and in some cases, title is never fully verified by an attorney. Accordingly, actual or alleged defects in title or boundaries may exist, which may result in the loss of the Company's right to mine on the property or in unanticipated costs to obtain leases or mining contracts to allow the Company to conduct its mining operations on the property, which could adversely affect its business and profitability. In addition, from time to time, the rights of third parties for competing uses of adjacent, overlying or underlying lands, such as oil and gas activity, coalbed methane, pipelines, roads, easements and public facilities, may affect the Company's ability to operate as planned if its title is not superior or arrangements cannot be negotiated.

g) Agreements for sales or off-take

The Company has entered into a coal sales agreement with LG&E for the physical delivery of some or all of its expected coal from its projects. The Company may enter into additional coal sales contracts. These contracts are generally designed to provide protection against the fluctuations in the price of coal. If the Company fails to meet its obligations in terms of product quantity, quality or timing of supply, it may face a risk that the contract is cancelled. This could have a material adverse effect upon the Company's financial performance and results of operations.

h) Additional agreements for sales or off-take

To date, the Company has only entered into one sales and off-take agreement in respect of its planned coal production from its projects. This agreement is with LG&E. The Company may have difficulty in finding additional off-take partners who are prepared to enter into long term off-take agreements with a party that does not have a proven production profile. If the Company is not able to negotiate such long term agreements then the expansion of the project, in particular the Cypress Mine, may be delayed or prevented.

Assuming the Company is able to secure additional sales or off-take agreements in the future, it may depend upon a small number of large customers, the loss of any of which, or inability to collect payment from, could adversely affect its results of operations and financial condition. Furthermore, the Company's ability to receive payment for coal sold and delivered depends on the continued creditworthiness of its customers. If it is unable to collect payments from any of these customers, its financial condition and results of operations could be materially adversely affected. Should the Company be unable to find customers to purchase its produced volume, its financial results may be adversely affected.

i) The Company's mineral resources and mineral reserves are estimates and may be recalculated and reduced

The Company's mineral resources and mineral reserves are estimates. Such estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral resource and reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

For most new mine developments the actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, mineral reserves are valued based on future costs and future prices and consequently, the actual mineral reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

j) Mining Risks

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each mineral deposit is unique. The occurrence and quality of the deposit, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, quality and overall yield of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire orebody.

k) Operational risk

The Company's development and mining activities will be subject to numerous operational risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the development and mining of mineral properties such as unusual or unexpected geological formations may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations. The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.

Appendix: Key Risks

l) Environment

The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities.

As with most mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to an appropriate standard of environmental obligation, including in compliance in all material respects with relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets.

m) Competition

The mineral resource industry is competitive in all of its phases. The Company competes with other companies, including major coal mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for sales contracts, the recruitment and retention of qualified employees, coal leases and new business opportunities. If the Company cannot compete effectively with these other companies, it may have a material adverse effect on the Company's performance.

n) Foreign Operations and Government Regulation Risks

The Company's projects are located in the USA and, as such, the operations are exposed to various levels of political, economic and other risks and uncertainties.

Changes in mining or investment policies or shifts in political attitude in the USA may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

The mining, processing and development activities of the projects are subject to various laws in the USA governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous land claims, and other matters.

Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the Company.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or challenging of its interests.

o) The Company relies on key personnel

The Company is dependent on a number of key management personnel, including the services of certain key employees and consultants. The Company's ability to manage its development and mining activities will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and a skilled workforce. The loss of the services of one or more key management personnel could have a material adverse effect on the Company's ability to manage and expand the business.

It may be difficult for the Company to attract and retain suitably qualified and experienced people, given the modest size of the Company compared with other industry participants. If the Company cannot do so, this could have a material adverse effect on the Company's ability to manage and expand the business.

p) The Company has uninsured risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

q) The Company's partners, contractors and agents may become insolvent

The Directors are unable to predict the risk of financial failure or default by a participant in any venture to which the Company is, or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or managerial failure by any of the other service providers used by the Company for any activity.

r) Litigation risks

Legal proceedings may arise from time to time in the course of the Company's activities. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or a member of the Company in the future from time to time.

Appendix: Key Risks

1.3 General risk factors

The Directors also consider that potential investors should be aware of the following general risk factors.

a) Economic conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. Factors which contribute to that general economic climate include:

- i. contractions in the world economy or increases in rates of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- ii. international currency fluctuations and changes in interest rates;
- iii. changes in investor attitudes towards particular market sectors;
- iv. the demand for and supply of capital and finance;
- v. changes in government legislation and regulatory policy, including with regard to rates and types of taxation; and
- vi. domestic and international economic and political conditions,

b) Market conditions

There are a number of risks associated with any stock market investment. Factors affecting the price at which the Shares are traded on the ASX may be unrelated to the Company's operating and financial performance and beyond the control of the Directors. As such, Shares offered under this Offer may trade at prices above or below the Offer Price or the net asset value of the Company per Share.

c) Insurance

The Company intends to ensure that insurance is maintained to address insurable risks within ranges of coverage the Company believes to be consistent with industry practice, having regard to the nature of the Company's activities. However, no assurance can be given that the Company will be able to obtain insurance cover for all risks faced by the Company at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

d) Liquidity and realisation risk

There can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares, as there may be relative few, if any, potential buyers or sellers of the Shares on ASX at any time. Volatility in the market price for Shares may result in Shareholders receiving a price for their Shares that is less or more than the Offer Price.

e) Changes in law, government policy and accounting standards

The Company's activities may be impacted by regulatory or other changes implemented by the Commonwealth or Western Australian Governments. A change in laws that impact on the Company's operations, such as land access, Native Title, environmental protection, carbon emissions, labour, mining, taxation and royalties, could have an adverse impact on the Company's operations. Mining industry activities are subject to discretionary regulations and approvals, the exercise of which cannot always be predicted.

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this presentation may impact adversely on the Company's reported financial performance.

f) Other general risks

The future viability of and profitability of the Company is also dependent on a number of other factors which affect the performance of all industries, and not just mineral exploration and mining. These include, but are not limited to:

- i. default by a party to any contract to which the Company is, or may become, a party;
- ii. insolvency or other managerial failure by any of the contractors used by the Company in its activities;
- iii. industrial disputation by the Company's workforce or that of its contractors;
- iv. litigation;
- v. natural disasters and extreme weather conditions; and
- vi. acts of war and terrorism or the outbreak or escalation of international hostilities and tensions.

Appendix: International Offer Restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Appendix: International Offer Restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Appendix: International Offer Restrictions

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document has been prepared for publication in Australia and may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland

Luxembourg

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities. An offer to the public of New Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Important Notice & Disclaimer

Cautionary Statements and Important Information

This presentation does not constitute or form part of any offer to sell, or solicitation of any offer to buy, any securities in the United States or any other country. This presentation may not form the basis of any contract or commitment whatsoever with any person. Distribution of this presentation may be restricted by applicable law. In particular, only persons in the United States who are “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act of 1933) may receive this presentation.

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Paringa does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this presentation. Recipients of this presentation should carefully consider whether the securities issued by Paringa are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

Cautionary note regarding reserves and resources

You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). You should note that while the Company’s reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and (ii) Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission. Information contained in this presentation describing the Company’s mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as “resources” will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

Forward Looking Statements

Some of the statements contained in this presentation are forward looking statements. Forward looking statements include but are not limited to, statements concerning plans for its mineral projects, exploration and development activities, development plans and timing, development and operating costs, and other statements which are not historical facts. When used in this presentation, and in other published information of Paringa, the words such as “aim”, “could”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward-looking statements.

Although Paringa believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward looking statements include the potential that Paringa’s projects may experience technical, geological, metallurgical and mechanical problems, changes in mineral product prices and other risks not anticipated by Paringa.

Competent Persons Statements

The information in this report that relates to Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa’s ASX announcements dated March 28, 2017 entitled “Expanded BFS Results Confirms Development Pathway to A\$850 million NPV” and December 2, 2015 entitled ‘BFS Confirms Buck Creek will be a Low Capex, High Margin Coal Mine’ which are available to view on the Company’s website at www.paringaresources.com.au. The information in the original ASX announcements that related to Exploration Results and Coal Resources is based on, and fairly represents, information compiled or reviewed by Mr. Kirt W. Suehs, a Competent Person who is a Member of The American Institute of Professional Geologists. Mr. Suehs is employed by Cardno. Mr. Suehs has sufficient experience that is relevant to the style of mineralization 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’ and to qualify as a Qualified Person as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining’s Definition Standards on Mineral Reserves and Mineral Resources.

The information in this report that relates to Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Messrs. Justin S. Douthat and Gerard J. Enigk, both of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration. Messrs. Douthat and Enigk are employed by Cardno. Messrs. Douthat, and Enigk have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and to qualify as Qualified Persons as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining’s Definition Standards on Mineral Reserves and Mineral Resources.

Paringa confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions and technical parameters underpinning the Coal Resource, Coal Reserve, Production Target, and related forecast financial information derived from the Production Target included in the original ASX 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 ASX announcements.

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