

POPLAR GROVE MINE CONSTRUCTION UPDATE

HIGHLIGHTS:

- *Foundations for the Poplar Grove Mine's CHPP continues to progress*
- *Site development has begun at the Poplar Grove Mine's barge load-out facility*
- *Paringa continues to build long term relationships with its regional customer base*
- *Potential listing on major US stock exchange progressing well*
- *Poplar Grove remains on track to complete construction during Q3 2018*



Poplar Grove Mine Site



Poplar Grove Barge Load-Out Facility on the Green River

For personal use only



Foundations for the Poplar Grove Mine's CHPP



Work Continues at the ROM Coal Reclaim Tunnel



Work Continues at the ROM Coal Reclaim Tunnel

Buck Creek Development Timetable

Construction at Poplar Grove remains on track with the foundations for the coal handling and preparation plant (“CHPP”) almost complete with structural steel to be erected in the coming weeks. In addition, excavation and site development works at the barge load-out facility on the Green River has now begun.

Following the appointment of Mr Anderson, a highly experienced and well-respected coal sales professional, the Company continues to make excellent progress in building relationships with the Ohio River and South-East markets, and is looking forward in executing Paringa’s coal sales and marketing strategy. In addition, the Company continues to make excellent progress in relation to the listing on a major US stock exchange and intends to inform the market of the US listing strategy shortly.

Buck Creek	2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Poplar Grove</u>																				
Technical Studies	✓																			
Permitting	✓																			
Financing		✓																		
Construction			✓																	
Production (WK No.9)																				
WK No.11 Incline																				
Production (WK No.11)																				
<u>Cypress</u>																				
Construction																				
Commercial Production																				

Development Timeline of the Poplar Grove and Cypress Mines (2017 to 2021)

Paringa looks forward to providing regular updates of the construction of the Poplar Grove Mine with photos and videos uploaded regularly to the Paringa website: www.paringaresources.com.

Paringa’s Managing Director and CEO, Mr. Grant Quasha, said: “Following the recent positive announcement on the important addition of Mr. Anderson to the Paringa executive team as Sr. VP of Coal Sales and Marketing, I am pleased to report that we continue to make progress in constructing the Poplar Grove Mine following a period of heavy rainfall.

We are now making excellent progress with the foundations of the CHPP almost complete and looking forward to erecting structural steel once the fabrication process concludes. I am also very excited to see site development begin at the Poplar Grove Mine’s barge load-out facility on the Green River and we continue to make excellent progress in building long terms relationships with our tier-1 customer base, continue to strengthen the Paringa team with exceptional, motivated people and remain on track to complete construction at Poplar Grove in Q3 2018.”

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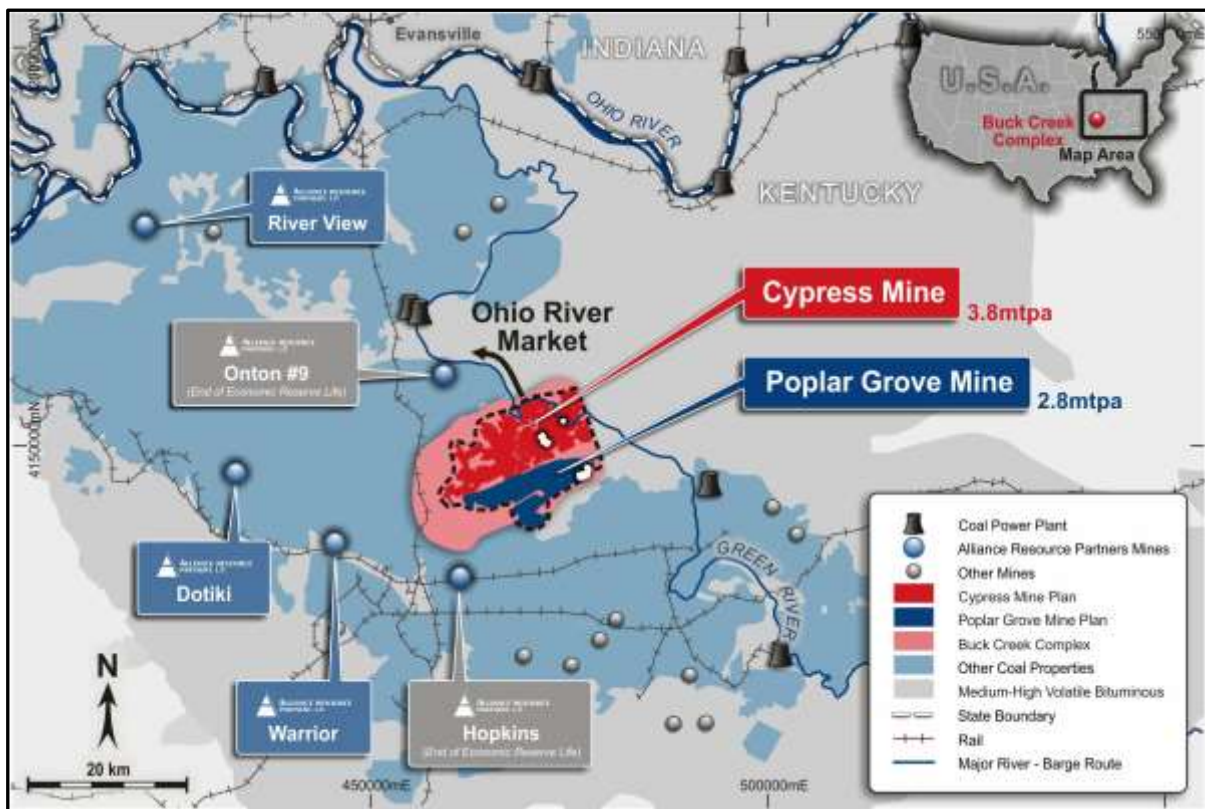
THE BUCK CREEK COMPLEX

Buck Creek coal mining complex (“**Buck Creek Complex**”) is located in the Western Kentucky region of the Illinois Basin which is one of the most prolific coal producing regions in the United States.

The Buck Creek Complex comprises almost 40,000 acres of coal leases and includes two developing mines:

1. **Poplar Grove Mine:** Permitted 2.8 Mtpa thermal coal mine which is now in construction with first coal expected 12 months from start of construction; and
2. **Cypress Mine:** Permitted 3.8 Mtpa Cypress Mine with construction set to begin by early 2019.

Refer below for a map of Paringa’s Poplar Grove and Cypress Mines and current and historical coal mining in the Western Kentucky region of the Illinois Basin.



Map of Buck Creek Complex and Local Mining Operations in Western Kentucky (Illinois Basin)

Forward Looking Statements

This report may include forward-looking statements. These forward-looking statements are based on Paringa's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Paringa, which could cause actual results to differ materially from such statements. Paringa makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

Competent Persons Statements

The information in this announcement 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 the original ASX announcements that related 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 announcement have not been materially modified from the original ASX announcements.