

POPLAR GROVE MINE CONSTRUCTION UPDATE

HIGHLIGHTS:

- *Major coal processing infrastructure now being installed at the preparation plant*
- *Excavation for the slope decline to access the underground coal now underway*
- *Mobilization of equipment to sink the mine air ventilation shaft to begin next month*
- *Installation of barge load-out facility related infrastructure to begin March 2018*
- *Final discussions in securing finance for all leased equipment at the Poplar Grove mine*
- *Continued progress in building long term relationships with our tier-1 customer base*
- *Paringa remains on track to produce first coal from Poplar Grove during Q3 2018*



Installation of Internal Coal Processing Infrastructure at the Preparation Plant



Construction of the Slope Portal to Access Underground Coal



Excavation of the Slope Decline to Access Underground Coal



Completed Site Excavation at the Poplar Grove Mine Barge Load-out Facility

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																				
<u>Cypress</u>																				
Construction																				
Commercial Production																				

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

Buck Creek Development Timetable

Construction at Poplar Grove remains on track as the erection of structural support steel at the preparation plant continues, all major internal coal processing infrastructure is now being delivered and installed. In addition, Paringa completed the steel sheet piling to maintain support at the slope portal, and has now begun underground excavation of the slope decline to access the underground coal.

Mobilization of shaft sinking equipment to construct the mine air ventilation shaft is expected to begin next month and installation of the barge load-out facility related infrastructure to begin in March 2018. Paringa is in the final stages of securing a lease finance package for all mine equipment with a major mine equipment provider, who is also the world leader in underground mining equipment for room-and-

pillar mines. In addition, the Company continues to make progress in building long term relationships with our tier-1 customer base within the Ohio River and South-East Markets. Paringa remains on track to produce first coal from Poplar Grove during September quarter of 2018.

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: *"The Paringa team continues to make great progress during the construction period at the Poplar Grove mine. We are now moving into an exciting phase of installation the coal processing infrastructure within the preparation plant and beginning the slope decline to access the underground coal. We look forward to providing details of our lease finance package with the world leader in underground mining equipment for room-and-pillar mines and remain encouraged by improving market fundamentals for US domestic and export coal markets."*

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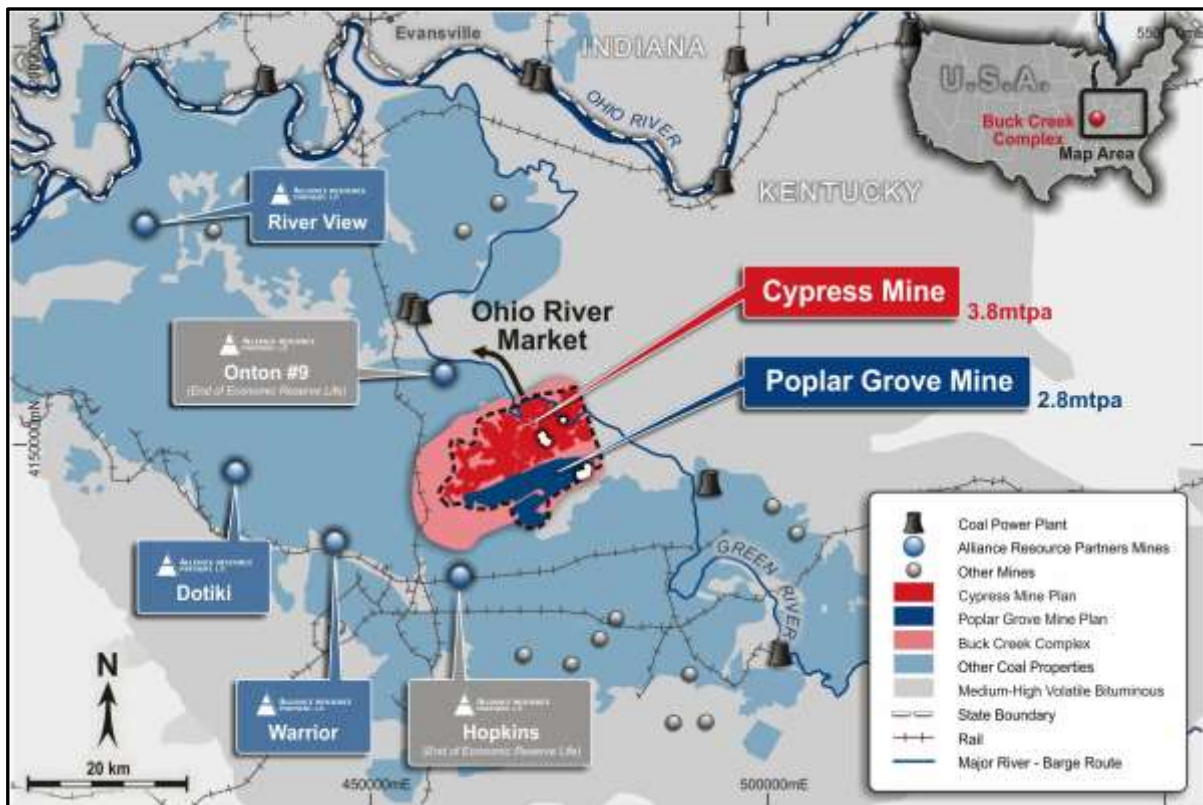
THE BUCK CREEK COMPLEX

Buck Creek coal mining complex (“**Buck Creek Complex**”) is located in the Western Kentucky region of the Illinois Basin.

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 production expected during the third quarter of 2018; and
2. **Cypress Mine:** Permitted 3.8 Mtpa Cypress Mine with construction set to begin by early 2019 (subject to market conditions).

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.