

## COMMENCEMENT OF BANKABLE FEASIBILITY STUDY AT THE BUCK CREEK NO.2 MINE

### HIGHLIGHTS:

- Commencement of a BFS for the No.2 Mine set for **completion during Q3 2016**
- Emergence of No.2 Mine has transformed the economics of the Buck Creek Mine Complex and Paringa will now develop the **No.2 Mine first**
- New staged multi-project development strategy to ultimately become a **strategic 5.6 Mtpa supplier** of high quality coal into the growing Eastern US power market
- Capex to initial production is an **extremely low US\$44 million** and Paringa expects this number to be reduced even further during the BFS process
- Continuation of **formal financing discussions** with debt financiers for the No.2 Mine

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to advise that the Company has commenced a Bankable Feasibility Study (“**BFS**”) on the Buck Creek No.2 Mine (“**No.2 Mine**”), which is located within the Buck Creek mining complex (“**Buck Creek Mine Complex**”) and south of the Buck Creek No.1 Mine’s (“**No.1 Mine**”) proposed 3.8 million tons per annum (“**Mtpa**”) coal project.

Paringa’s Chief Executive Officer, Mr David Gay, said “*We are looking forward to rapidly progressing the BFS with the aim of starting construction during mid-2017. Moving directly to a BFS has been made possible by the comprehensive nature of the recent Scoping Study and the ability to leverage of the extensive work completed as part of the BFS for the No.1 Mine. Typically, a coal project in the US at this stage would move directly into construction, however we will complete the BFS to identify key areas for optimization. We are very pleased with our progress to date with potential financiers of the No.2 Mine and look forward to an exciting 2016 for Paringa shareholders.*”

Since the acquisition of the Buck Creek Mine Complex in 2013, Paringa’s US team of experienced mine engineers have prepared a geological model for the entire Buck Creek Mining Complex (not just the No.1 Mine area) which resulted in the discovery of a section of shallow coal to the south of the No.1 Mine area. This discovery led to Paringa commencing technical studies on this shallow section of coal (now called the No.2 Mine) and based on the exceptional results of these studies, Paringa will now develop the low capex No.2 Mine first, followed by the No.1 Mine, as part of a staged development strategy for building a new “mid-tier”, high margin Illinois Basin coal company.

Following the successful completion of the Scoping Study (“**Scoping Study**”) for the No.2 Mine last month, Paringa has re-appointed Cardno (“**Cardno**”) to manage the BFS. Cardno has almost 40 years of expertise, including numerous underground coal mining projects, and provides mining engineering services to underground mining operations incorporating the latest technologies throughout the world.

For further information contact:

**David Gay**  
President & CEO

**Nathan Ainsworth**  
VP, Business Development

## **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 report, to reflect the circumstances or events after the date of that report.

## **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 December 2, 2015 entitled 'BFS Confirms Buck Creek will be a Low Capex, High Margin Coal Mine' and February 15, 2016 entitled 'Buck Creek Transforms to a Staged Low Capex Development' which are available to view on the Company's website at [www.paringaresources.com.au](http://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 presentation have not been materially modified from the original ASX announcements.