



PARINGA RESOURCES LIMITED

ABN 44 155 933 010

Expanded BFS Results

April 2017

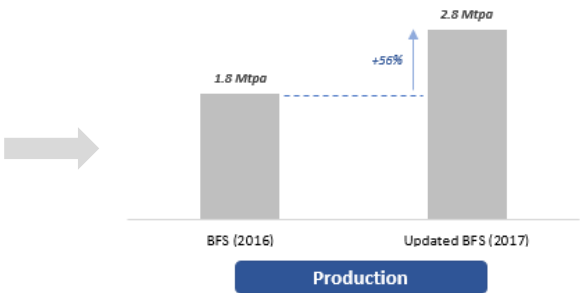
Expanded BFS Results

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

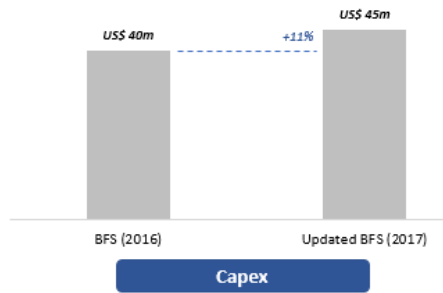
Poplar Grove Mine

1

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

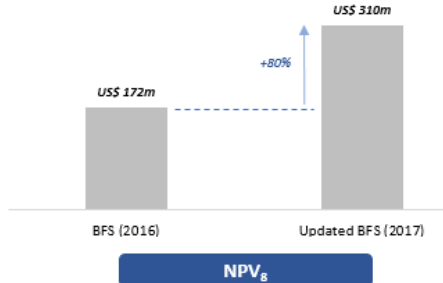
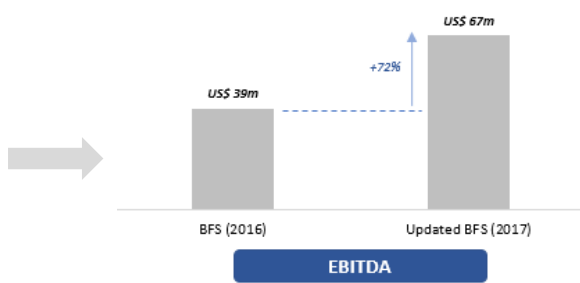


Enhanced Poplar Grove Metrics



2

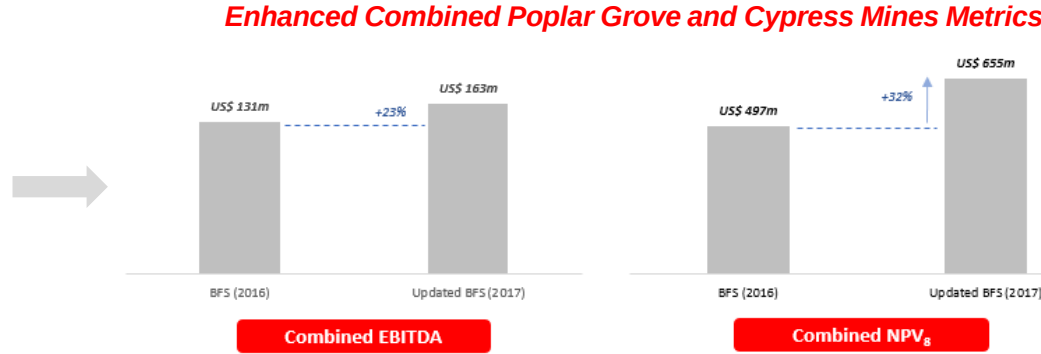
**72% increase in EBITDA to US\$67 million
80% increase in NPV₈ to US\$310 million**



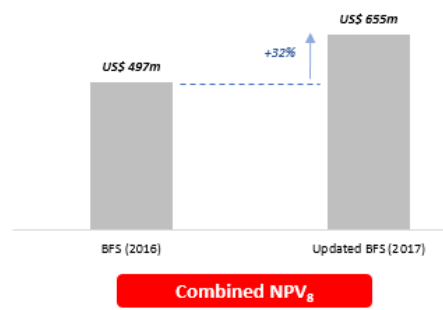
Combined Poplar Grove & Cypress Mines

3

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



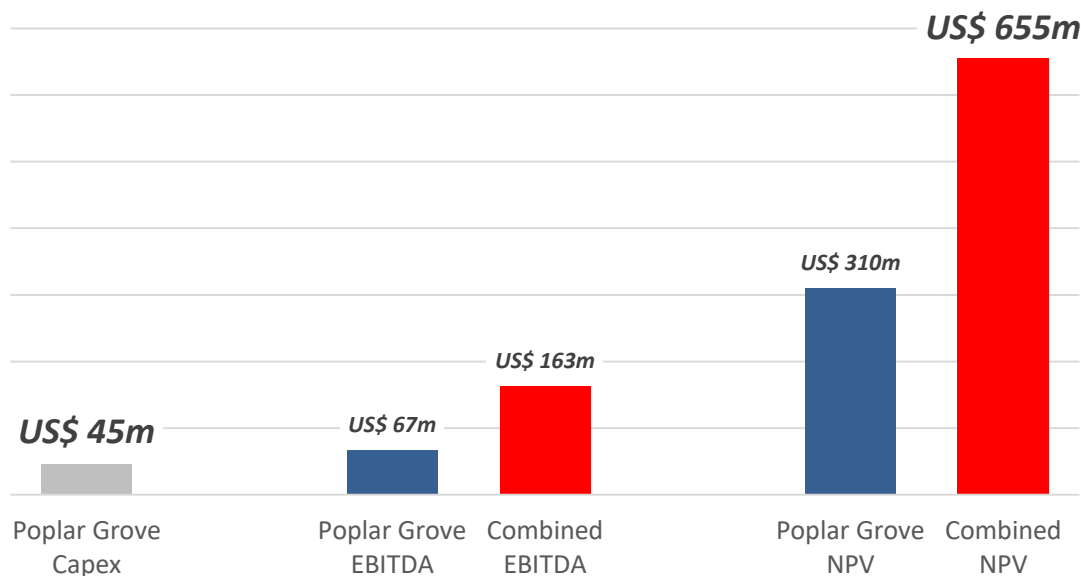
Enhanced Combined Poplar Grove and Cypress Mines Metrics



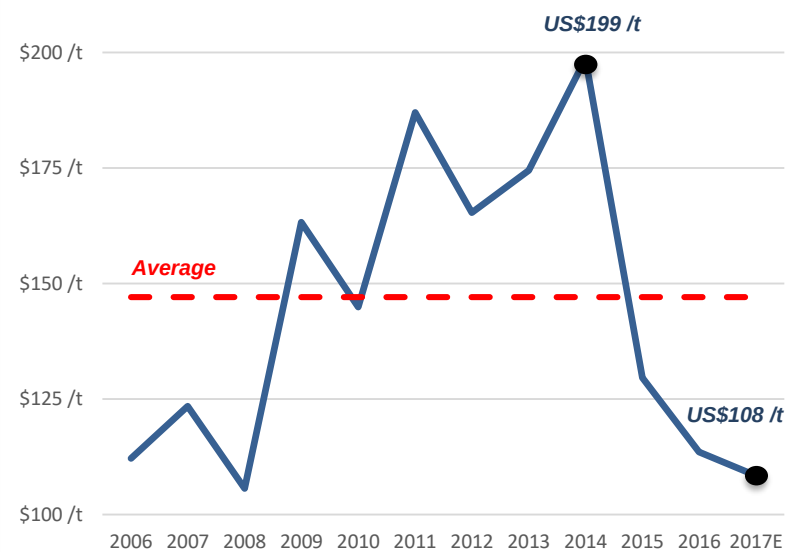
High Returns on Capital

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

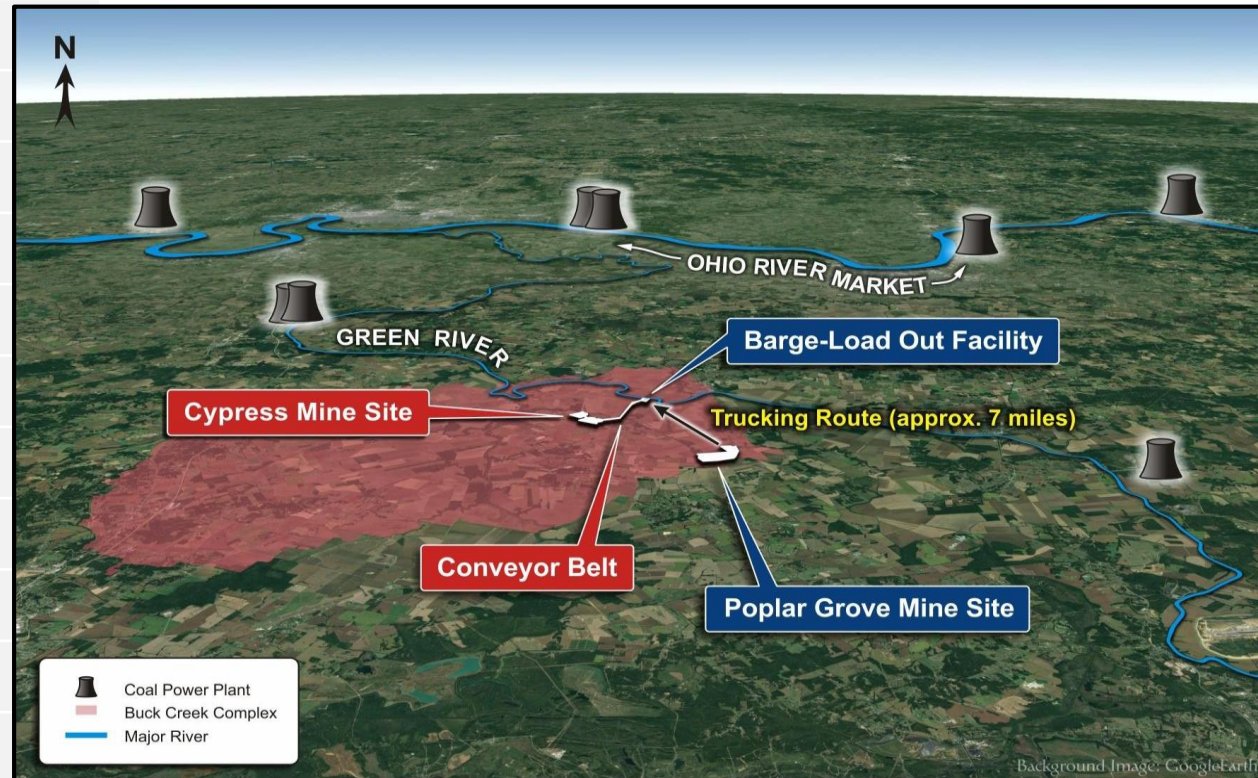
Low Risk Development

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”:

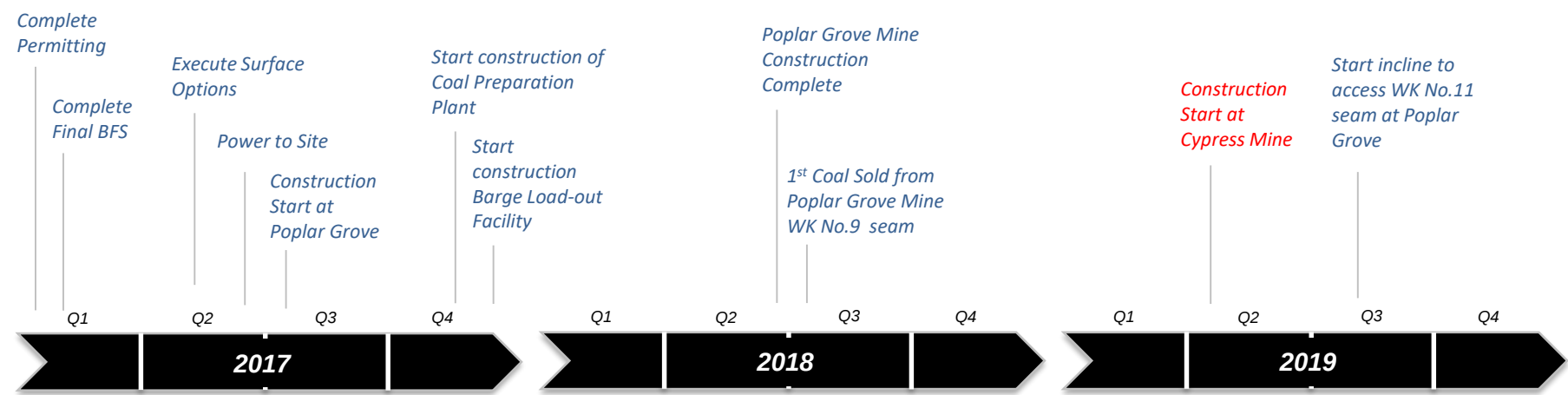
Location of Poplar Grove and Cypress Mines and Access to the Ohio River Market

✓	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

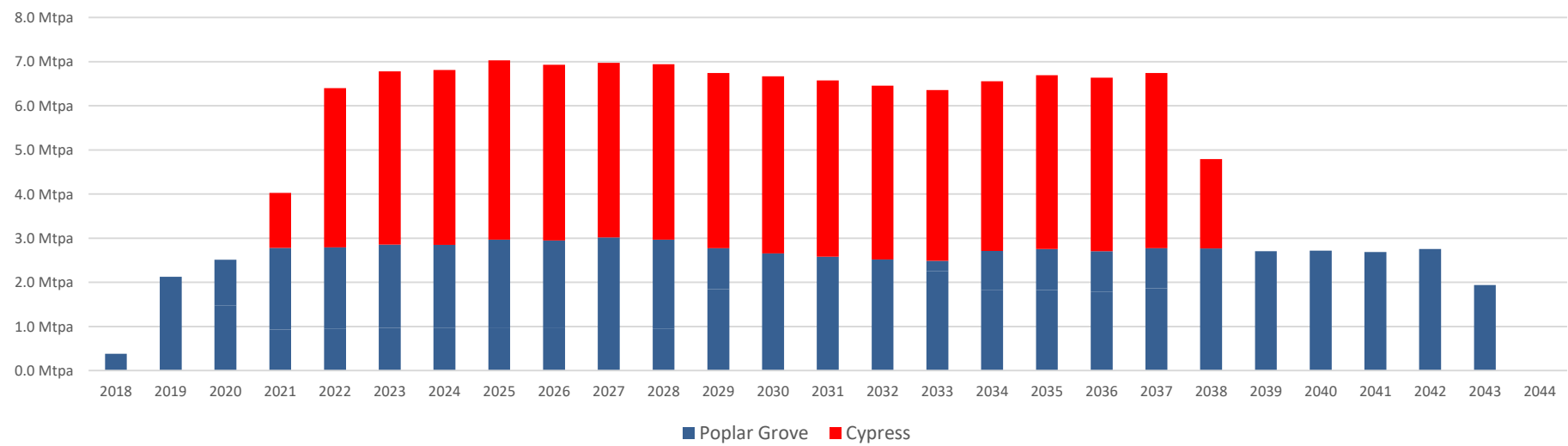


Fully Permitted to Start Construction

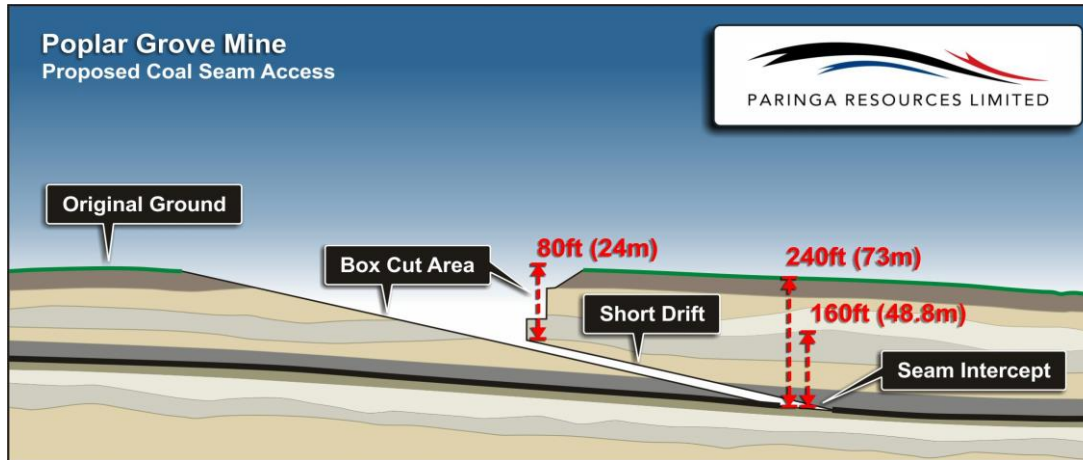
Development Timeline at Poplar Grove and Cypress Mines (2017 to 2019)



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

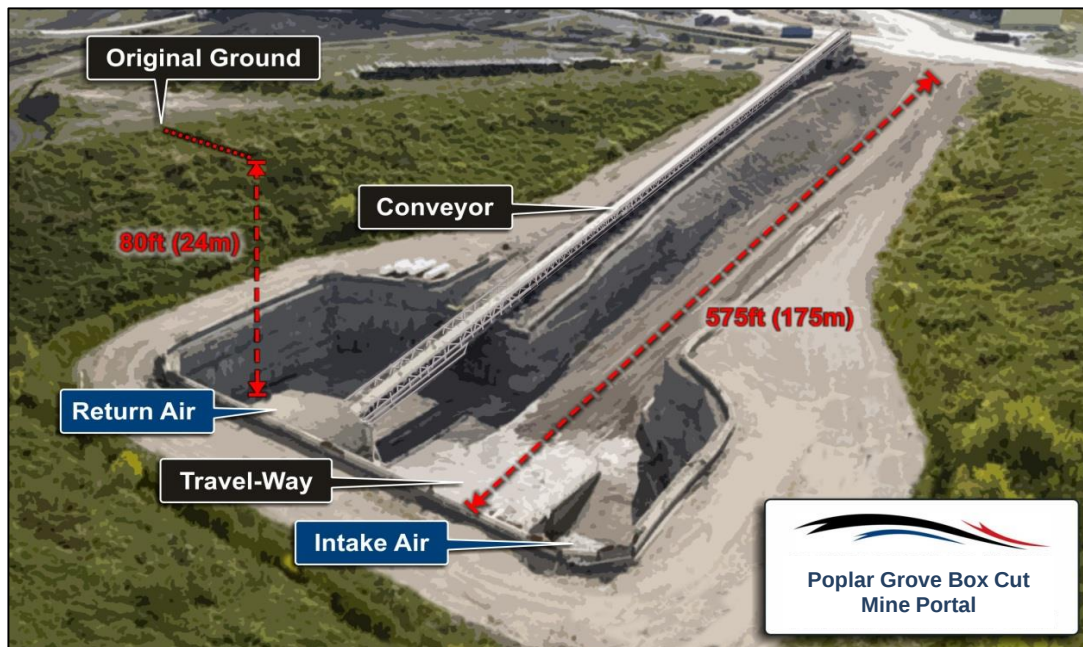


Low Risk Coal Seam Access



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



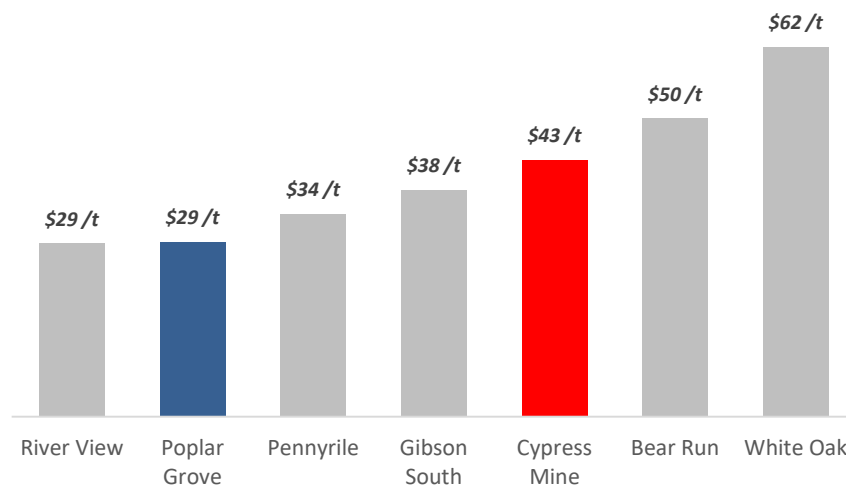
Low Capex Intensity

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:

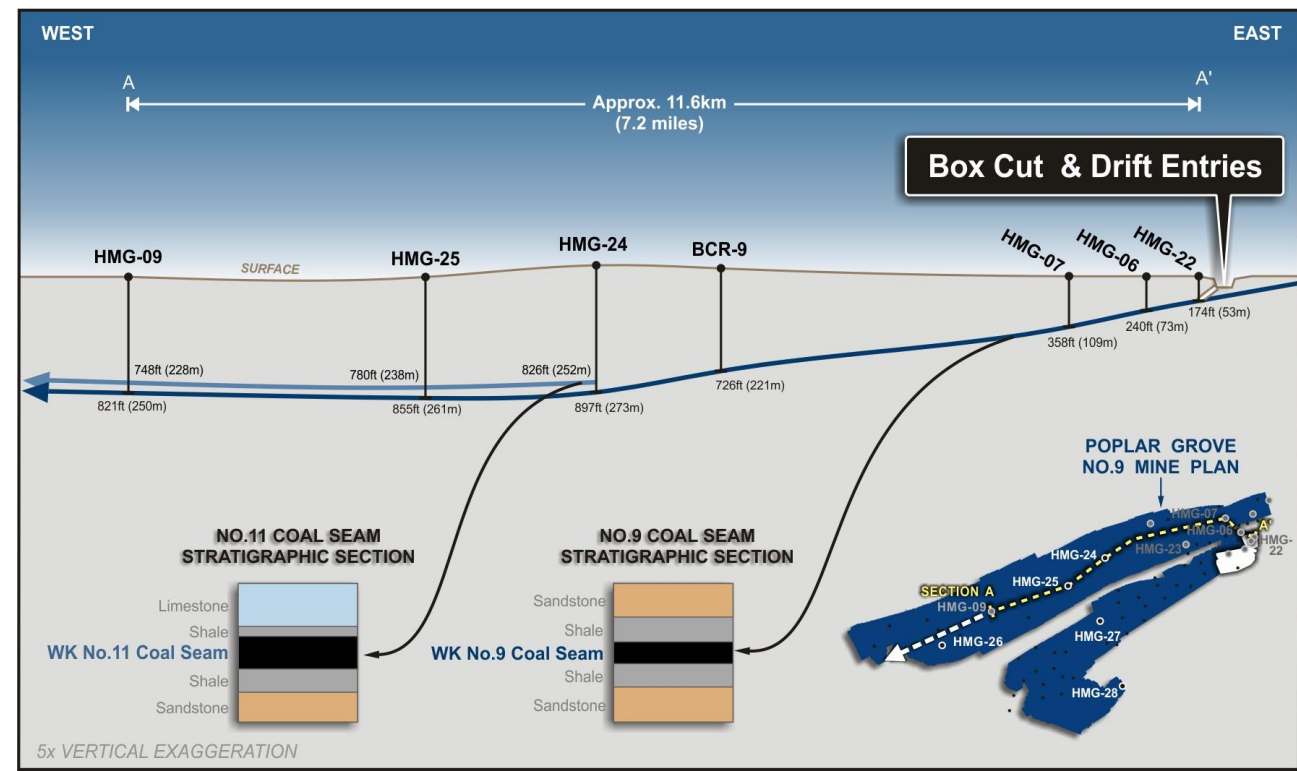
(1) Represents initial project capital of the Poplar Grove Mine and excludes any contingencies, working capital, financing costs, corporate costs and any remaining vendor payments

(2) Capital Intensity = Initial Capex + Leased Equipment / Nameplate Production

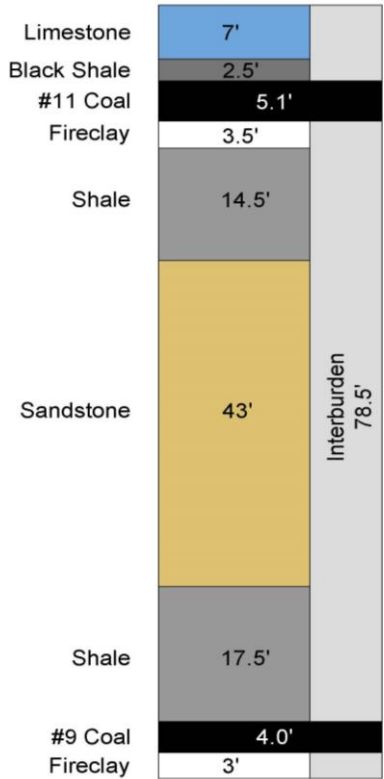
Low Cost Poplar Grove Expansion

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



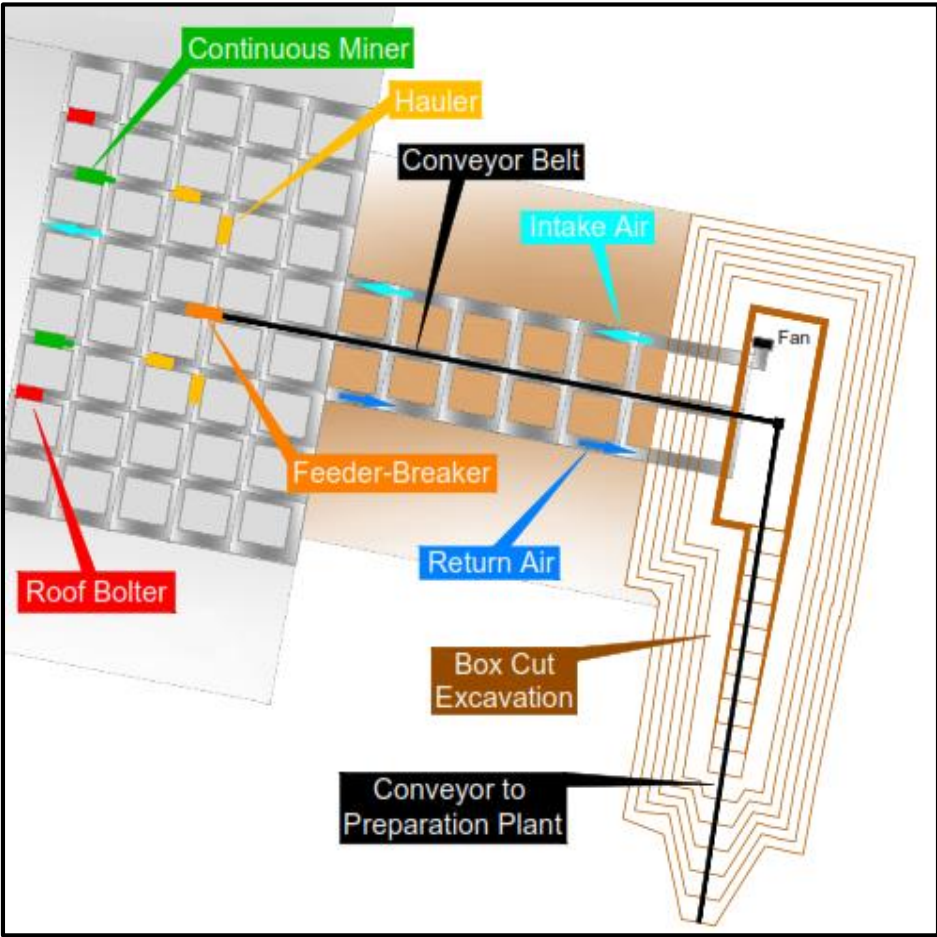
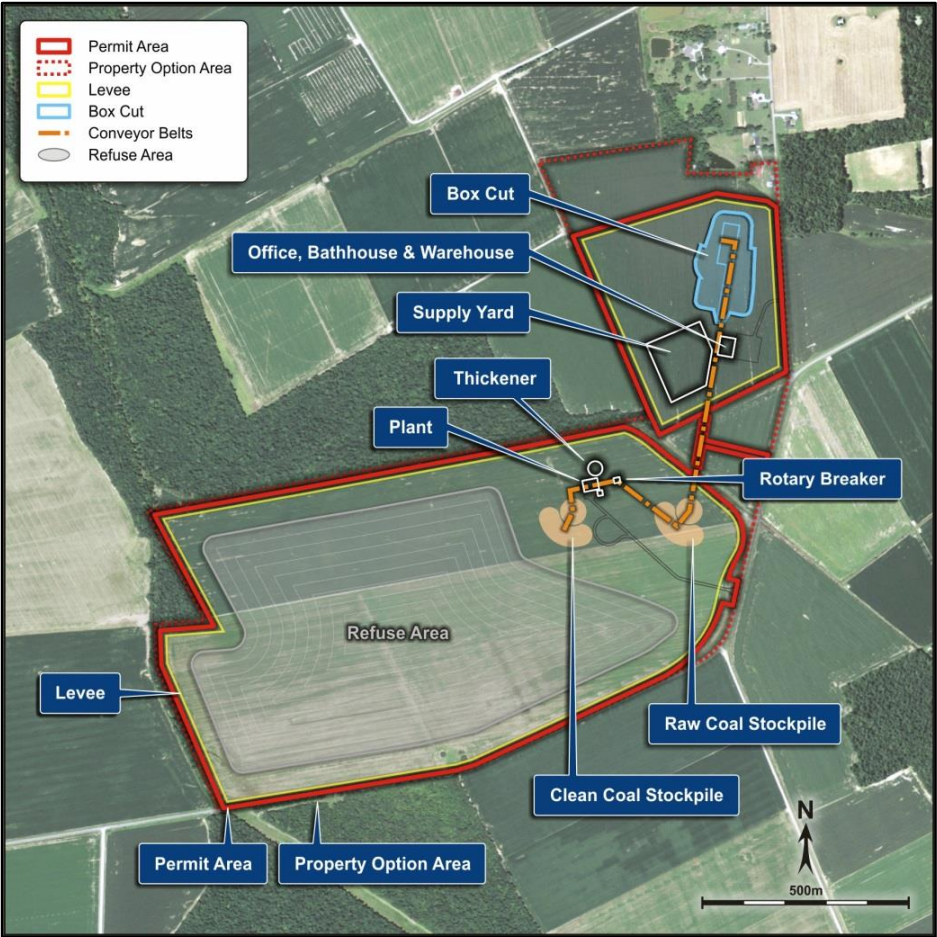
Poplar Grove expansion to the WK No.11 seam will be funded out of project cashflows

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



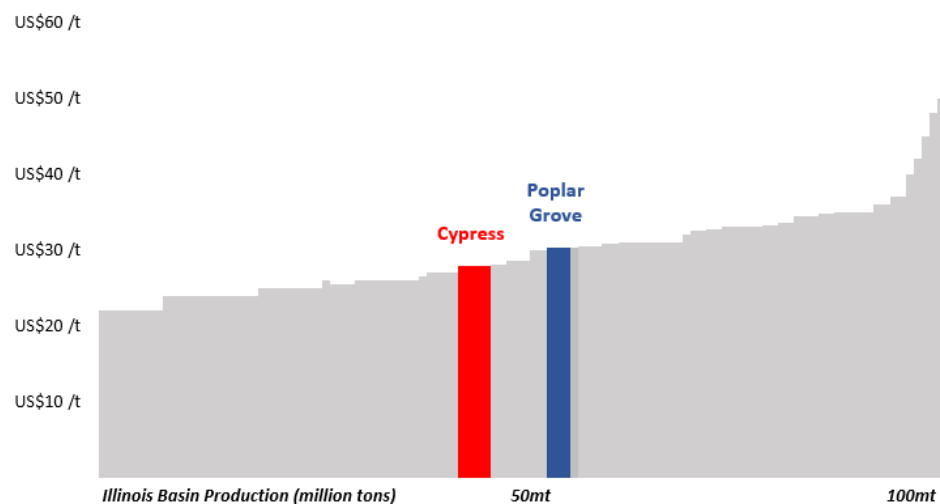
Low Opex

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



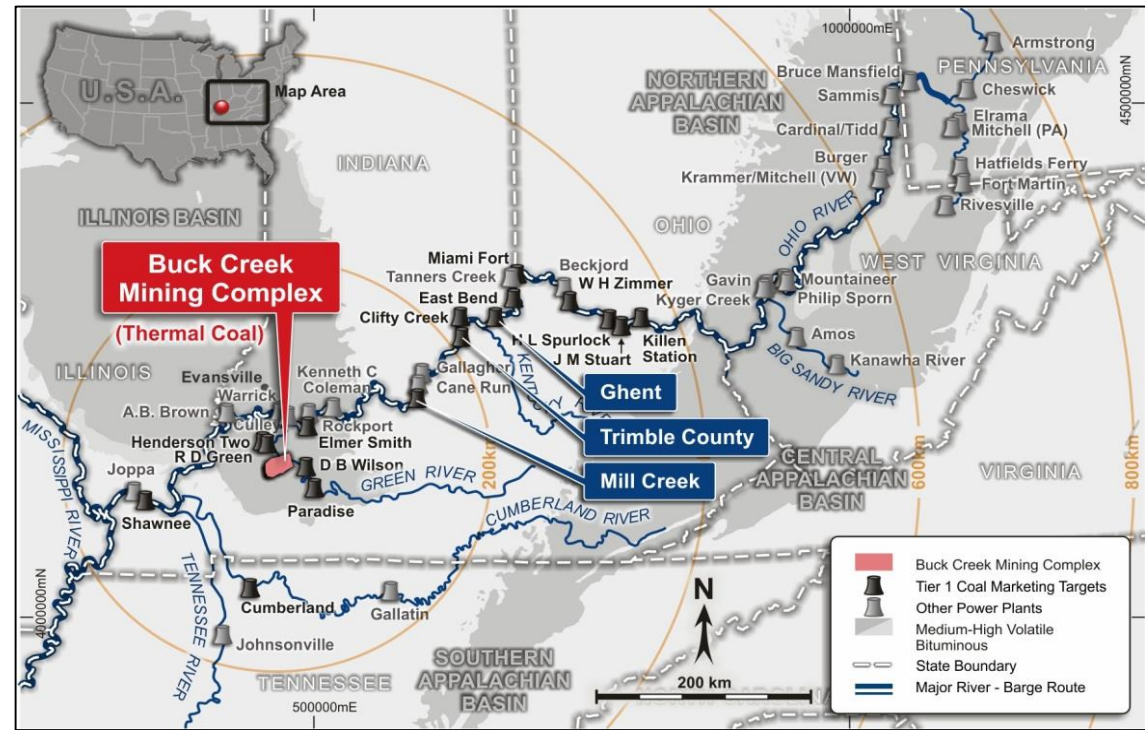
Comparison of Estimated Illinois Basin 2016 Coal "Mine Gate" Cash Costs vs Cypress and Poplar Grove Cash Costs (FOB Barge Green River)

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”

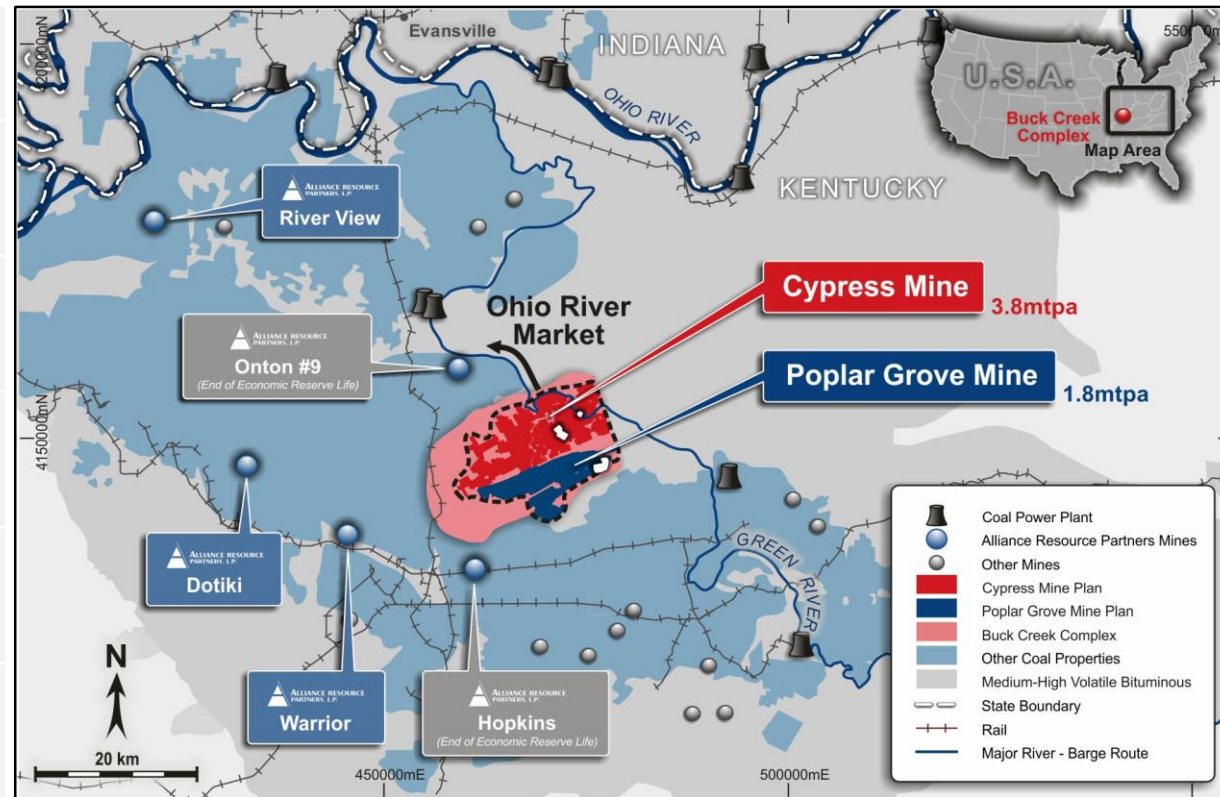
Strategic Illinois Basin Assets

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

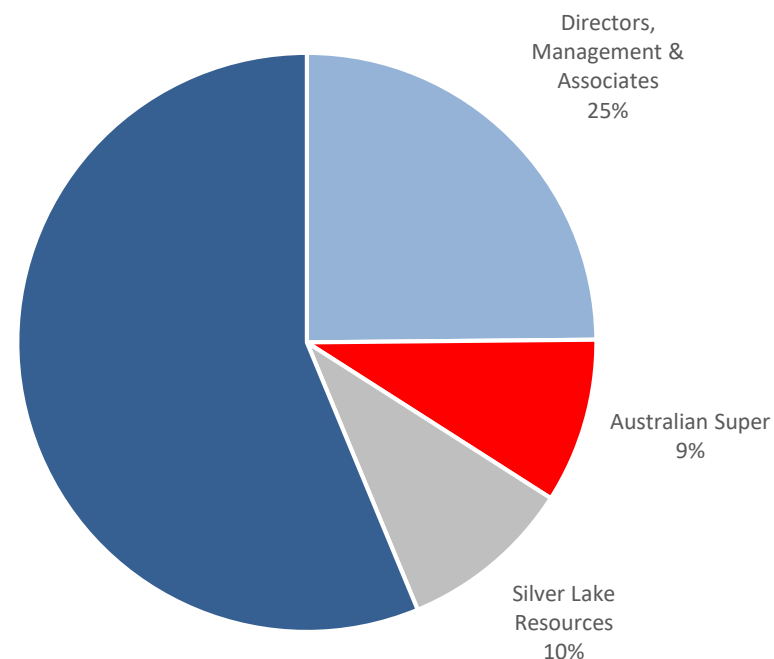
Buck Creek Complex and Surrounding Historical Mining and Current Operations



Paringa 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

Paringa Shareholder Mix (%)



ASX Code	PNL
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Key Corporate Statistics

Shares on Issue	214 million
Options	13 million
Performance Rights	13 million

Market Capitalisation (31 Mar 17)	US\$ 104 million
Cash (31 Dec 16)	US\$ 8.4 million

JORC Compliant Resource ¹	332 million tons
JORC Compliant Recoverable Reserves ²	136 million tons

Notes:

- 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.
- 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

Team with Extensive Experience

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

Todd Hannigan
CEO

- 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
President
(US Operations)

- 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

Nathan Ainsworth
VP, Business
Development

- 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

Matt Haaga
COO

- 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

Rick Kim
General Manager

- 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

Jim Plaisted
Coal Sales and
Marketing

- 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
Chairman

- 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
Managing Director

- 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
Executive Director

- 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
Executive Director

- 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
Director

- 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
Director

- Mr McCormick 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 McCormick is a registered Professional Engineer and has Bachelors of Science degree in Mechanical Engineering from West Virginia University.

Taso Arima
Director

- 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

Appendices: 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%

(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%

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

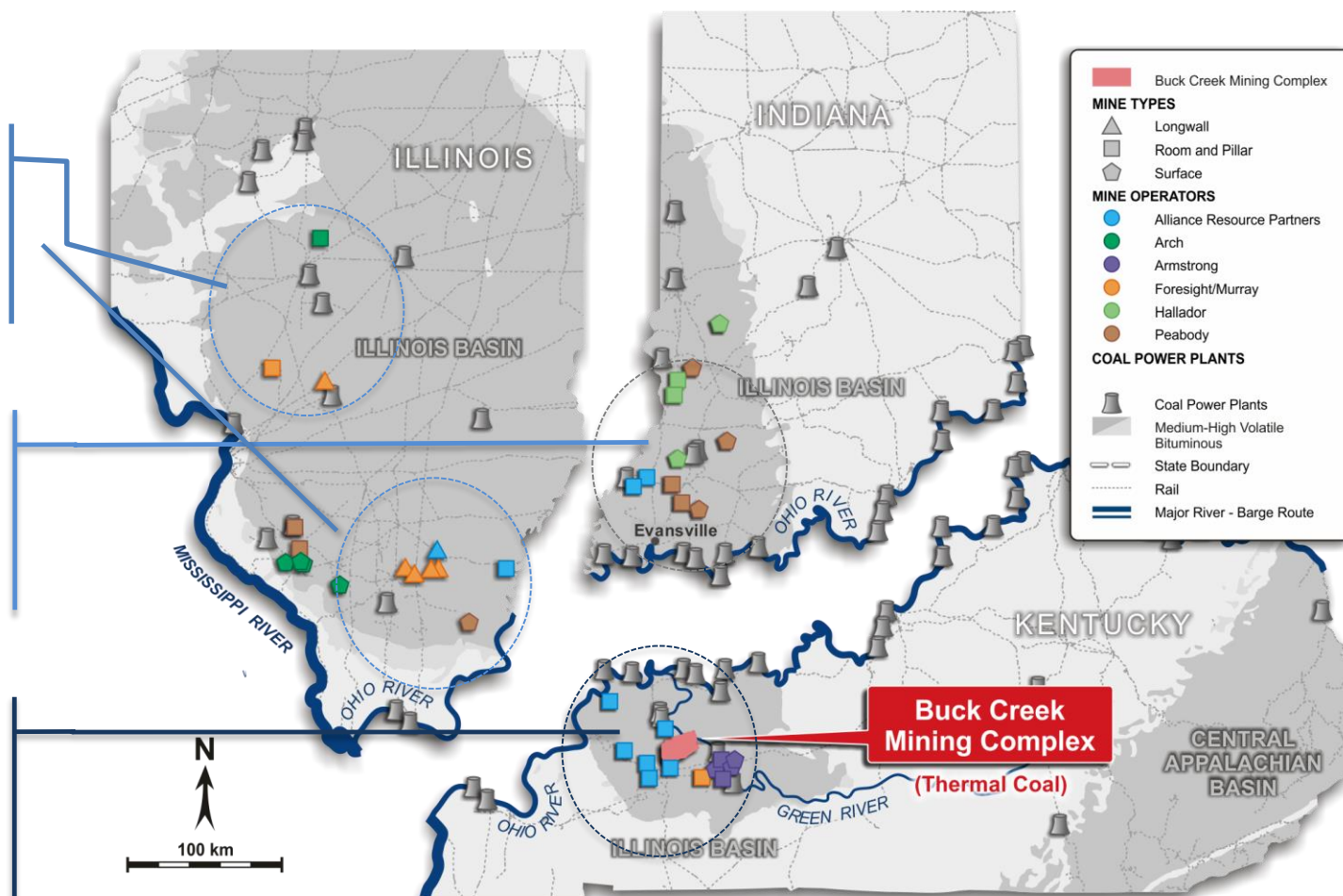
Mine Method: Longwall
Target Market: South East
Transport Method: Rail
Producers: Foresight/Murray, Alliance

Indiana

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

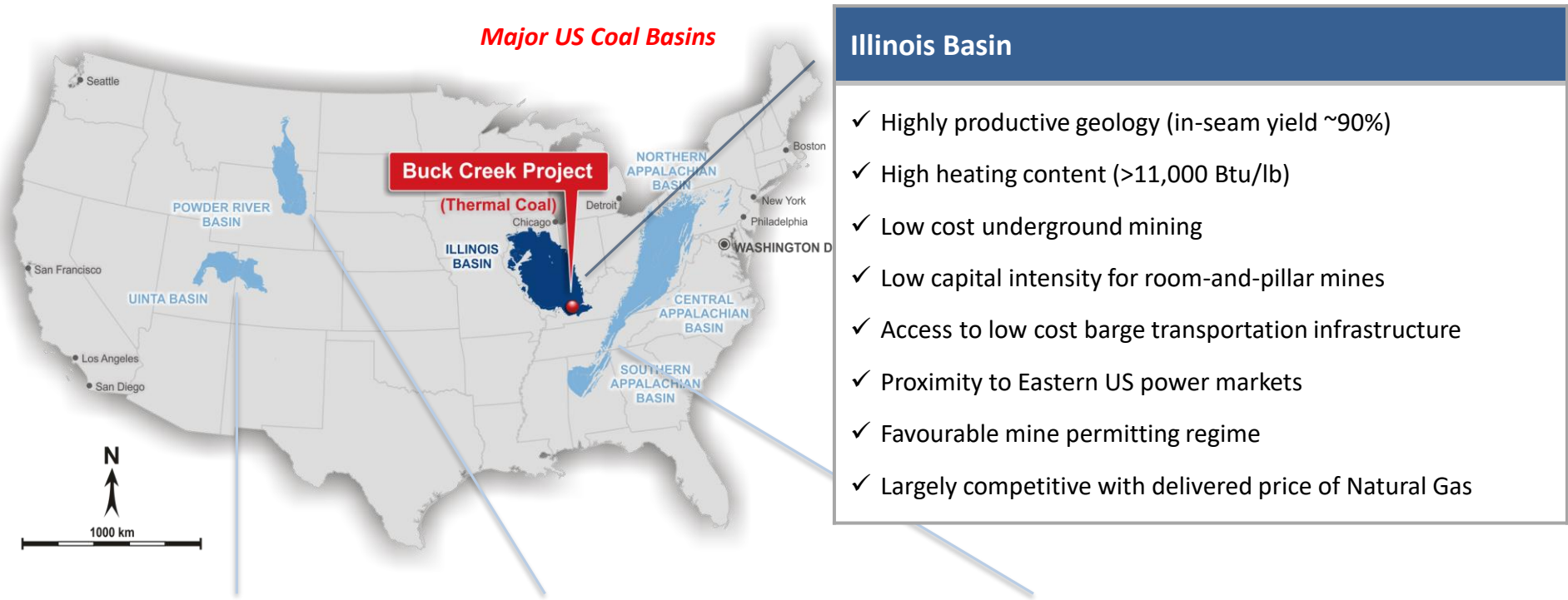
Western Kentucky

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



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



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)

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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.



PARINGA RESOURCES LIMITED

www.paringaresources.com

Head Office:
New York Office:
Registered Office:

Email:
Website:
ABN:

6724 E Morgan Avenue, Suite B | Evansville | Indiana | 47715
6 E 46th Street, 3rd Floor | New York | NY | 10017
Level 9, BGC Centre, 28 The Esplanade | Perth | WA | 6000

info@paringaresources.com
www.paringaresources.com
44 155 922 010