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INSTITUTIONAL PLACEMENT TO RAISE A\$53 MILLION TO COMPLETE FINANCING OF POPLAR GROVE MINE

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has successfully completed a book build and received commitments for a placement of 102 million shares at an issue price of A\$0.52 per share to Institutional and Sophisticated investors to raise A\$53 million (“**Placement**”).

Proceeds from the Placement will be used to construct the Company’s Poplar Grove Coal Mine located in the Western Kentucky region of the Illinois Basin in the United States and for working capital.

The Placement completes the funding required for the development of Poplar Grove Mine and, together with the recently announced US\$20 million debt facility from Macquarie Bank Limited and existing cash reserves, the Company will be fully funded to develop the Poplar Grove Mine.

Paringa’s Managing Director and CEO, Mr. Todd Hannigan, said: *“This successful capital raising completes the funding required for the development of the Poplar Grove Coal Mine starting July 2017. We now have a strong financial position to deliver on our plan to become a 6.6 Mtpa Illinois Basin producer – starting with construction of the low cost and high margin Poplar Grove Mine and then followed by the fully permitted, high margin Cypress Mine.”*

The Directors of Paringa plan to participate in the Placement by subscribing for a total of 1.5 million shares, subject to the necessary approvals.

Argonaut acted as Lead Manager to the Placement with Hartleys Limited and Curran & Co acting as Co-Managers to the Placement.

The issue price of A\$0.52 represents a 16% discount to the last closing price of A\$0.62 and a 7% discount to the 30-day VWAP of A\$0.56.

The Placement will be completed in two tranches as follows:

- (a) 44.6 million shares will be issued on or about 21 April 2017 under Listing Rule 7.1 (23.2 million shares) and Listing Rule 7.1A (21.4 million shares) (following this issue the Company will have no remaining issue capacity under Listing Rules 7.1 and 7.1A); and
- (b) 57.3 million shares will be issued on or about 29 May 2017 following shareholder approval. A notice of general meeting will be sent to shareholders shortly.

For further information, contact:

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This announcement has been prepared for publication in Australia and may not be released in the United States. This announcement 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 announcement 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.

Information required under ASX Listing Rule 3.10.5A:

- (a) *Dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is 8%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 9% and the total dilution to existing shareholders is 17%. Details regarding the participation of existing and new shareholders is not able to be determined yet and will be provided at completion;*
- (b) *The Company will issue 21.4 million shares under Listing Rule 7.1A because the Placement was considered to be a more efficient mechanism for raising funds. The Placement did not expose the Company to additional costs, a protracted process and market volatility that may have been experienced with a pro-rata issue or other type of issue in which existing ordinary shareholders would have been eligible to participate;*
- (c) *No underwriting arrangements are in place for the Placement under rule 7.1A; and*
- (d) *A fee of up to 5.5% may be paid to brokers in connection with the Placement under rule 7.1A.*

Forward Looking Statements

This announcement 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 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 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.