



PARINGA RESOURCES LIMITED

ABN 44 155 933 010

COMPANY PRESENTATION

March 2016

Buck Creek Mine Complex is a strategic, world-class resources project.....

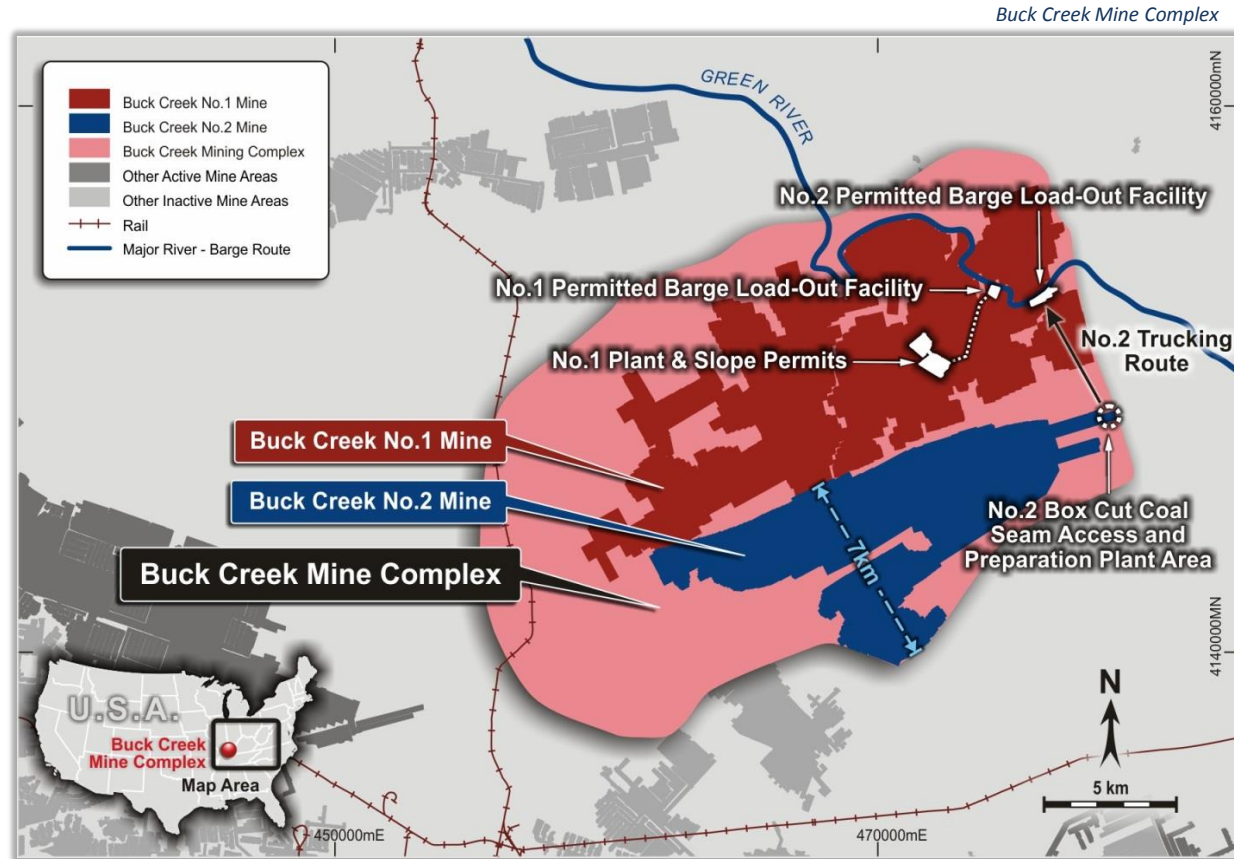
Investment Highlights

New strategy to build the 1.8 Mtpa Buck Creek No.2 Mine first, followed by the 3.8 Mtpa No.1 Mine

Emerging “mid-tier” Illinois Basin 5.6 Mtpa producer

Low initial capex of US\$44m to build the No.2 Mine

EBITDA margins of approx. 30% at the bottom of the market



Paringa's success in developing a world-class project is not reflected in the company's valuation, presenting an excellent entry point for investors...

Paringa Capital Structure

154 million shares¹

US\$27 million mkt cap / **A\$37** million mkt cap

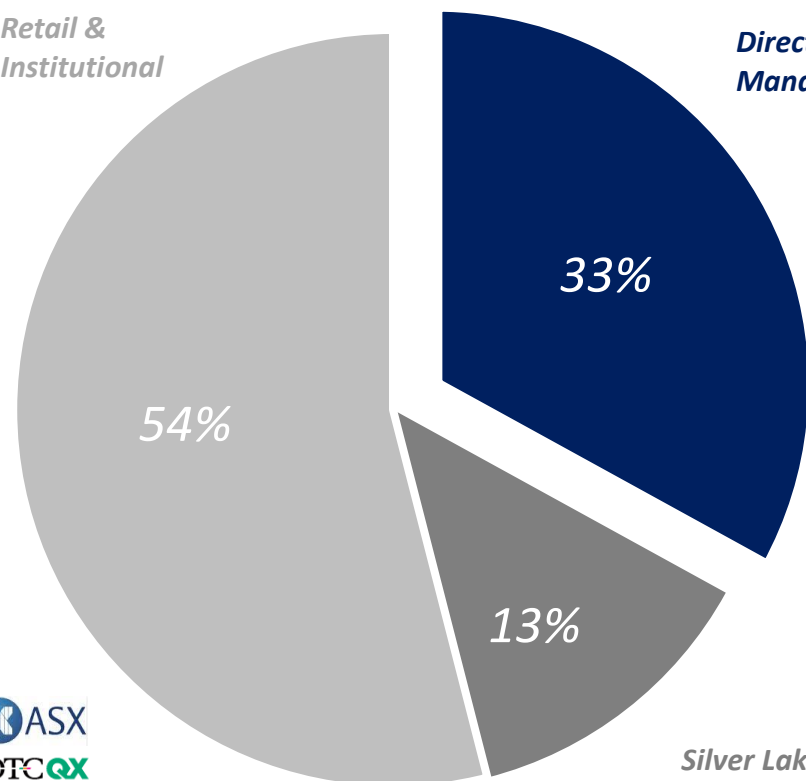
No Debt

<1x EV / EBITDA (FY20 No.2 Mine)

Paringa Shareholder Mix

Retail & Institutional

Directors & Management

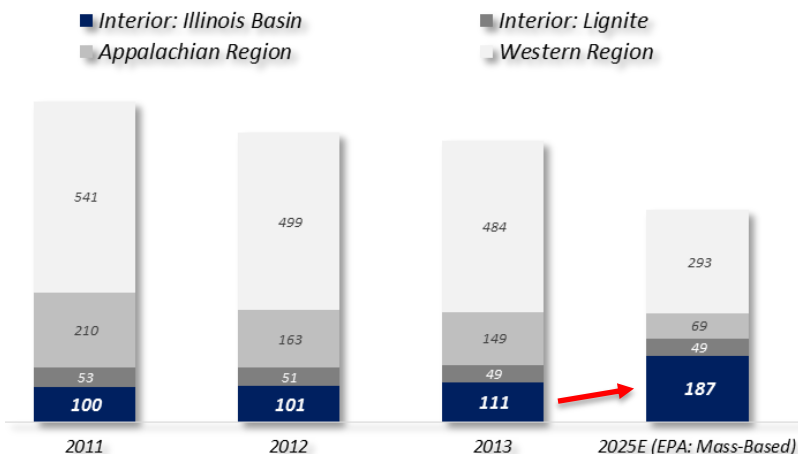


ASX
OTCQX
The Best Marketplace

Silver Lake
Resources Ltd

Illinois Coal Basin is poised for growth based on current US Government (EPA) Projections...

Total Electric Utility Demand by Major US Coal Regions^{1 2}



...the EPA forecasts implies coal demand from the Illinois Basin to grow from 111 mt (2013) to 187 mt (2025E)

...this is based on a few key drivers which make the Illinois Basin strategically placed to capture US coal market share...

Major US Coal Regions (Western, Interior and Appalachian)



- ✓ Near-fully scrubbed Eastern Power market now able to burn Illinois Basin / high sulphur coals
- ✓ Lower cost mining due to favourable geological and local industry factors of the Illinois Basin
- ✓ Strategically advantaged proximal to infrastructure and power plants

Notes:

- (1) Source: EIA, EPA <http://www2.epa.gov/cleanpowerplan/clean-power-plan-existing-power-plants> Table 3-15.
- (2) Under the "Rate-based" approach, the goal is expressed as a number of pounds CO₂ per megawatt hour of generation from power plants and allows for energy load growth. Under the "Mass-based" approach, the goal is expressed as a maximum number of tons of carbon dioxide that may be emitted by power plants for each time period.

Lack of new mine developments means the Buck Creek Mine Complex is the only undeveloped low capex, high margin coal project in the Illinois Basin...

New Mine Developments in the Illinois Basin

Illinois

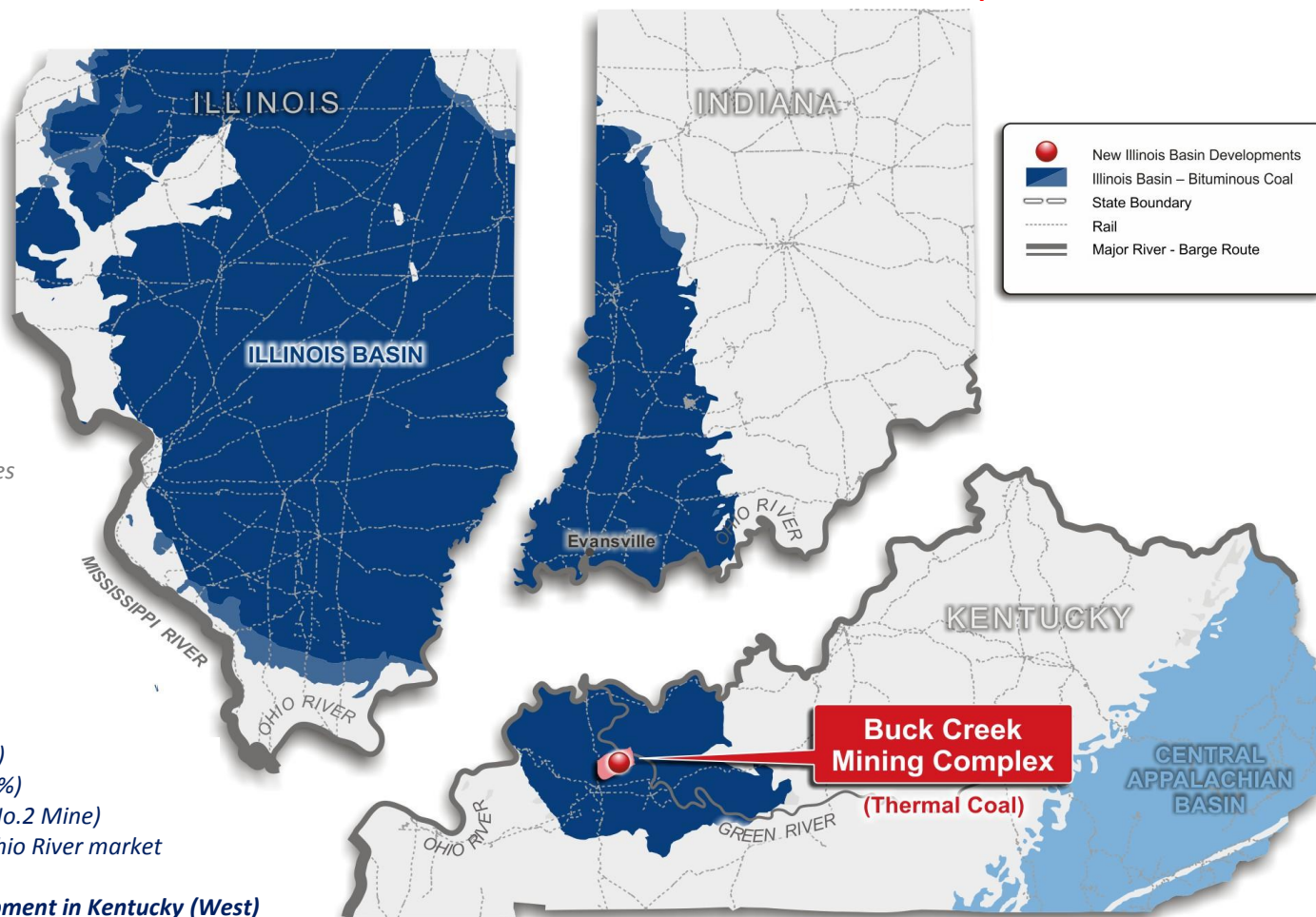
- Higher Capital ~US\$500 million
- Higher Chlorine (+0.35%)
- 4+ Year Development Timeframe
- Further from River Infrastructure
- **No new mine developments expected**

Indiana

- Coal typically trucked to local utilities
- No premium Ohio River market sales prices
- Further from River Infrastructure
- **No new mine developments expected**

Kentucky (West)

- Lower Capital ~US\$44 million (No.2 Mine)
- Higher quality, lower chlorine coal (<0.20%)
- Development timeframe of 12 months (No.2 Mine)
- Potential for direct barge access to the Ohio River market
- Premium Ohio River market sales prices
- **Buck Creek is the only new mine development in Kentucky (West)**



Paringa's target market includes the stable Ohio River Market and the South East Market, a growing market for Illinois Basin coal...

Plants Accepting Illinois Basin Coal in Ohio and South East Markets



Ohio River Market

17 *Plants*

~55 *million tons (annual demand)*

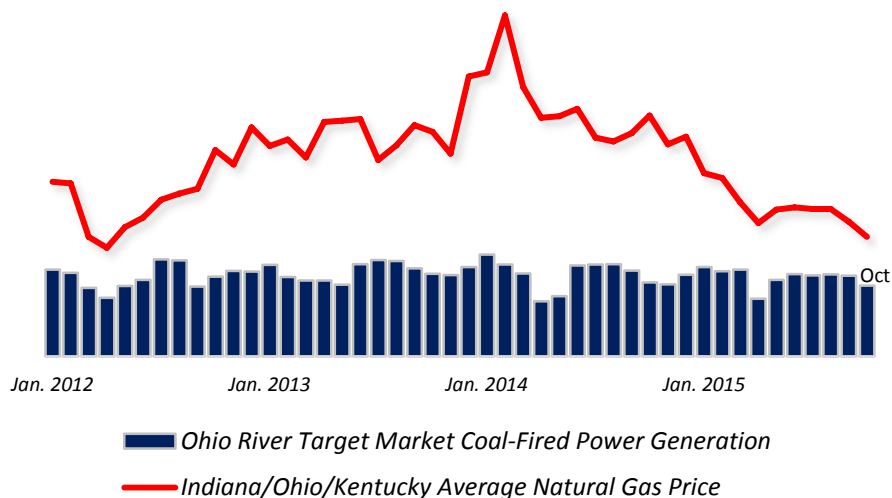
South East Market

23 *Plants*

~77 *million tons (annual demand)*

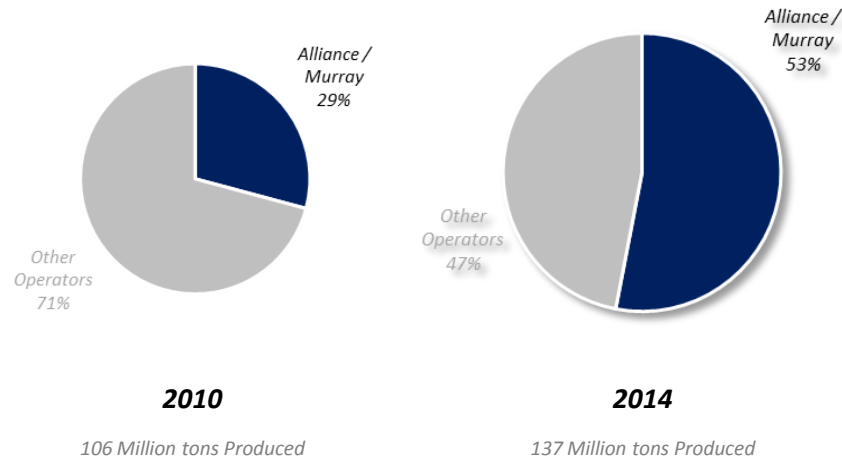
....the Ohio River Market continues to act as a stable, coal-fired “base-load” energy source for the region, insulated from volatile natural gas prices, with increasing consolidation by coal suppliers

Regional Natural Gas prices vs Ohio River Market Power Production



Ohio River Market: Increased Market Share of Alliance and Murray

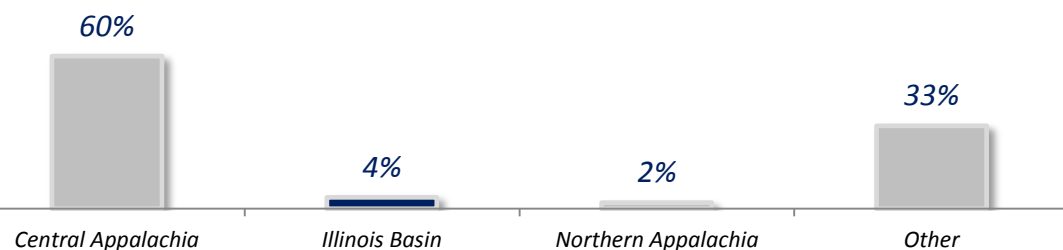
■ Alliance / Murray Market Share



...Providing for a very stable, long term customer base for Paringa who are increasingly searching for new independent sources of Illinois Basin coal

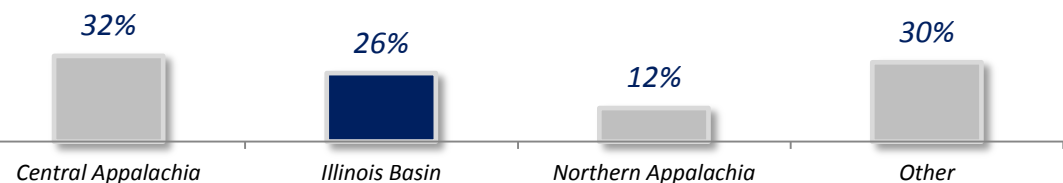
...the South East Market is a growth market for Illinois Basin coals due to its extremely low delivered cost throughout Eastern US power markets, compared to high cost Central Appalachian coal

2006 Coal Sales to South East Market (by US Coal Basin)



...in 2006, the South East Market was traditionally supplied by Central Appalachia (60%)

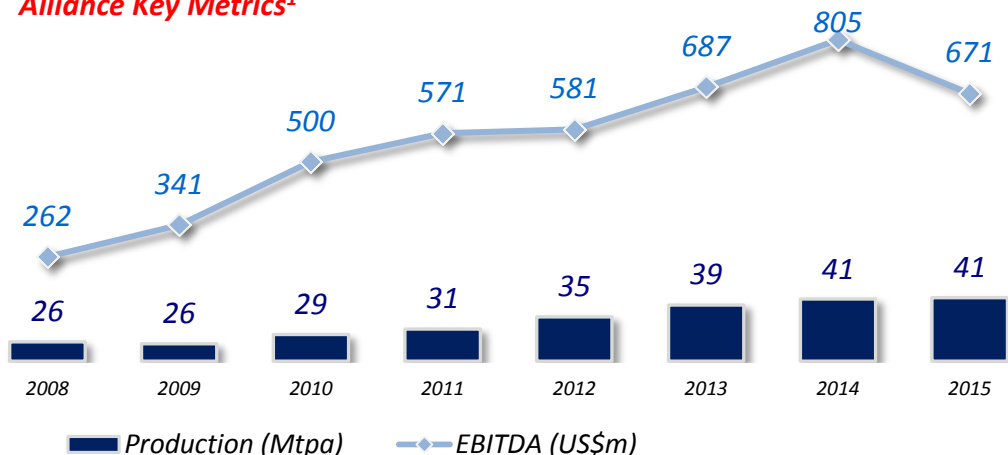
2014 Coal Sales to South East Market (by US Coal Basin)



...by 2014, the South East Market is now increasingly supplied by the Illinois Basin (26%)

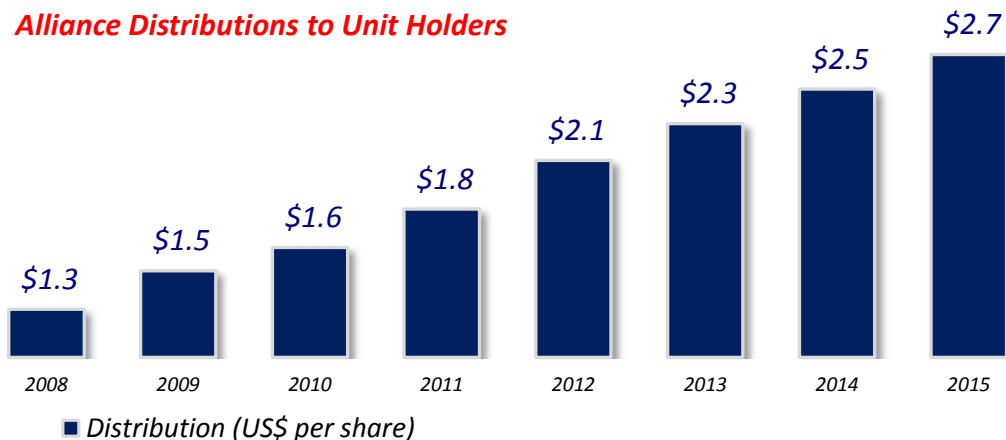
...Paringa set to emulate Alliance Resource Partners LP's (NASDAQ:ARLP) highly successful, high growth business model on a smaller scale

Alliance Key Metrics¹



...impressive financial performance

Alliance Distributions to Unit Holders



...resulting in outstanding returns for shareholders

Notes:

(1) Includes recent acquisitions and consolidation

(2) Source: Company Filings

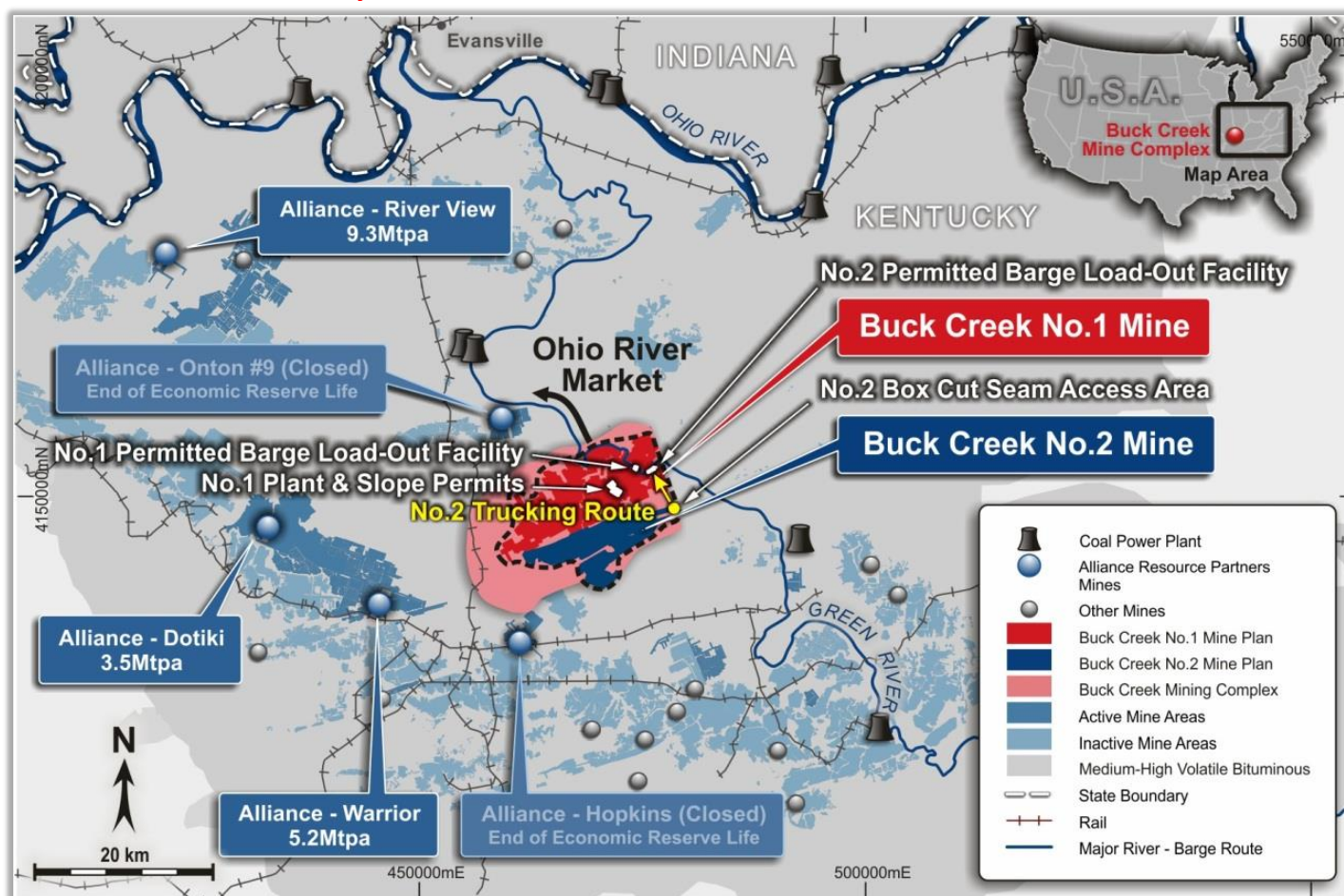
...Alliance's business strategy is to operate under stable, long term sales contracts resulting in sustained profitability throughout the cycle

Illinois Basin (Alliance) Prices vs Prices of International Commodities



..Buck Creek Mine Complex is adjacent to Alliance's western Kentucky operations where it built its business by developing low capex, high margin coal operations

Buck Creek Surrounded by Alliance

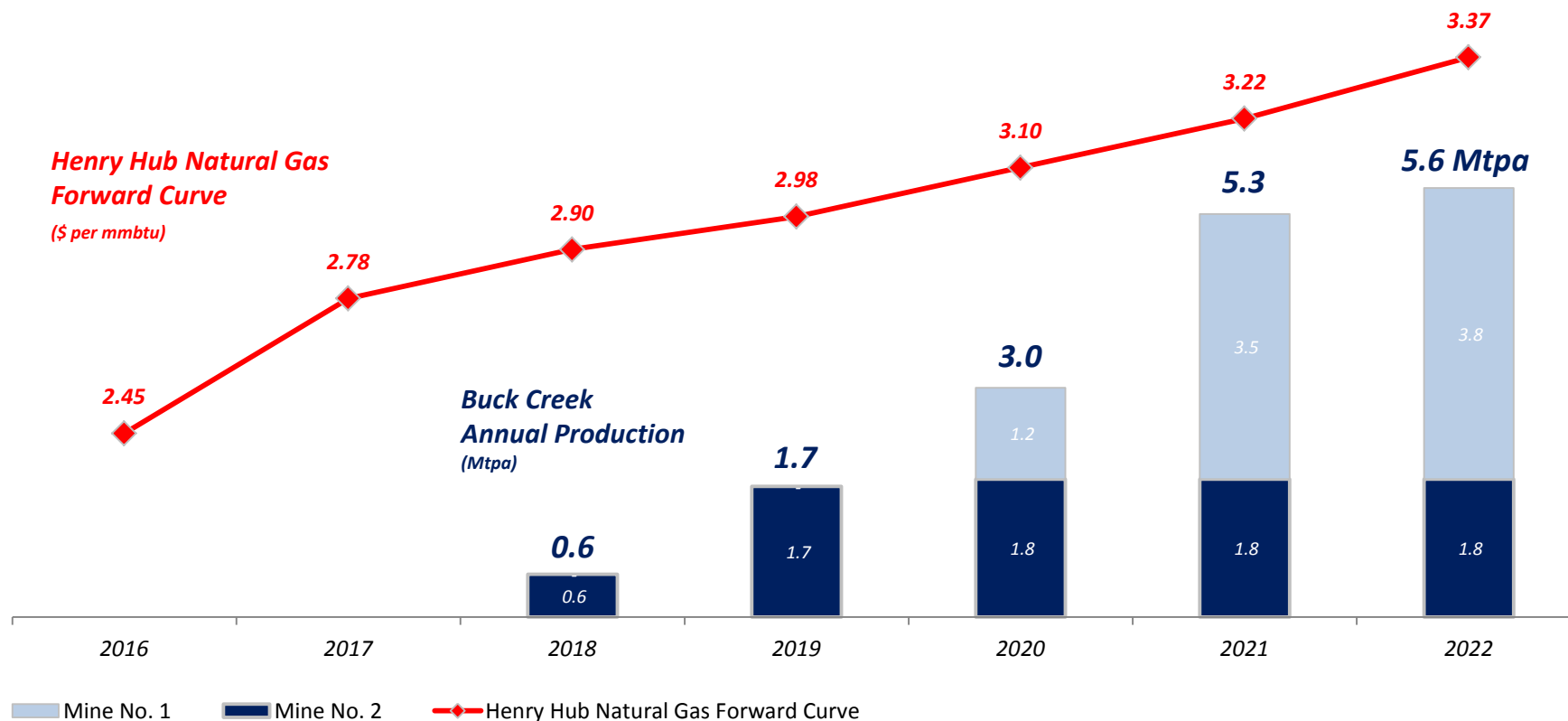


..Paringa offers investors exposure to the best undeveloped coal project with organic, low capex, growth potential to become the next “mid-tier” Illinois Basin coal producer

Why Invest in Paringa?

-
- ✓ *Emerging **5.6** Mtpa Illinois Basin Producer*
 - ✓ ***US\$220 million** of contracted sales with strong EBITDA margins of approx. **30%***
 - ✓ *No.2 Mine low capex of **US\$44** million and low “all-in” opex of **US\$32.94** (FOB Barge)*
 - ✓ *World-class **US Coal Team***
-

Paringa's strategy is to become a new independent, mid-tier resources company in a period when domestic US energy prices are forecast to increase...



Paringa has secured offtake from one of the largest coal-fired utilities in the USA, totaling US\$220 million in sales...

<u>LG&E and KU Contract</u>	2018	2019	2020	2021	2022
<i>Contracted Annual Production</i>	750,000	1,000,000	1,000,000	1,000,000	1,000,000
<i>Contracted Pricing</i>	44.50/ton	45.50/ton	46.30/ton	47.25/ton	48.20/ton

~60% of Mine No. 2 Annual Production Sold

(Paringa is in the process of negotiating an amendment to the contract to deliver coal from the No.2 Mine)

US\$46.60 / ton

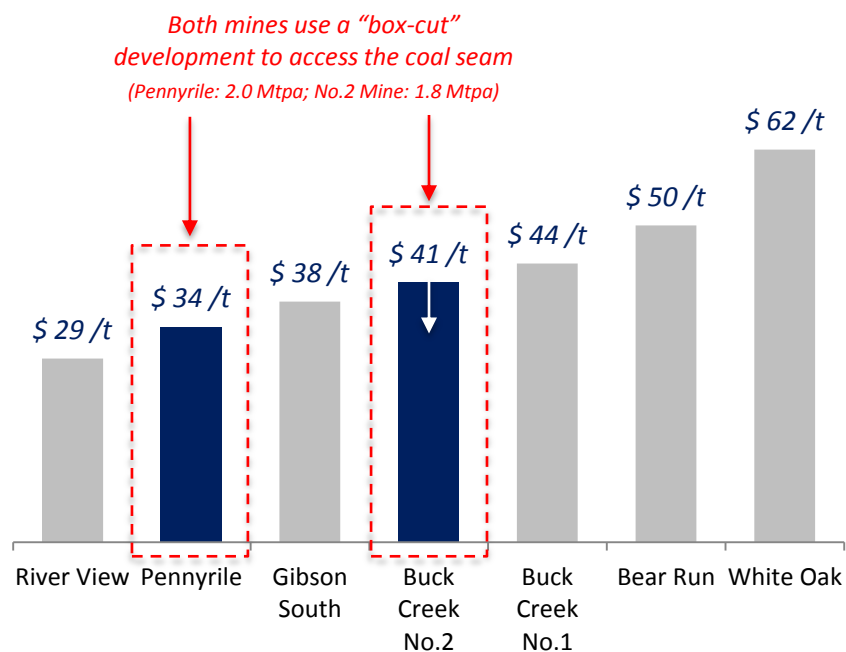
Weighted Average Contract Price



...Providing for a very stable, long term customer base for Paringa

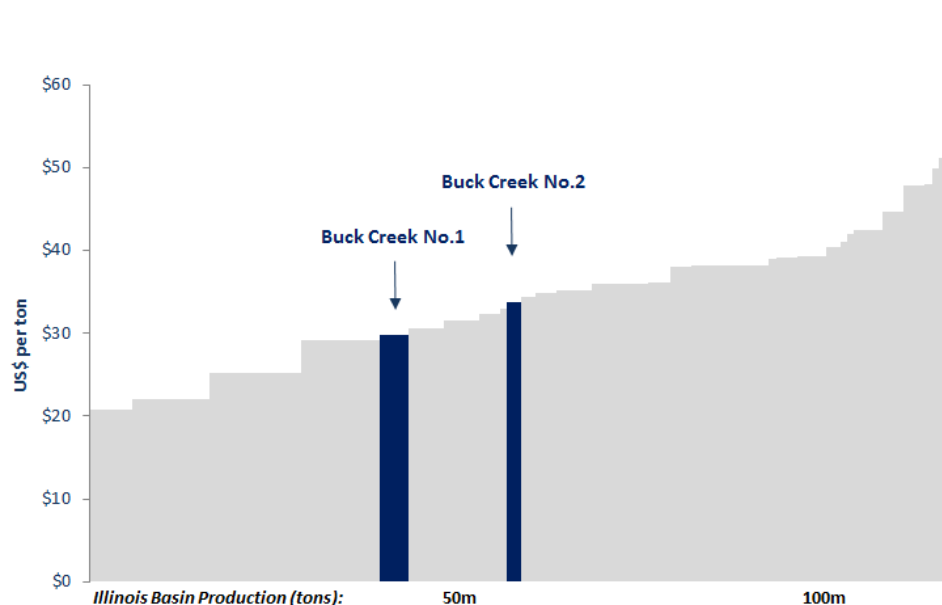
...No.2 Mine is a low capex development, due to the shallow depth of coal from surface, and low cost operations typical for room-and-pillar developments in the Illinois Basin

...Conservative No.2 Mine Capex



Capital Intensity of Illinois Basin New Mine Developments
(includes cost of leased equipment required to full production)

...and relatively low opex



Comparison of Illinois Basin Coal Operations Cash Costs

....an Executive team with extensive coal mining experience in the USA, including the Illinois Basin

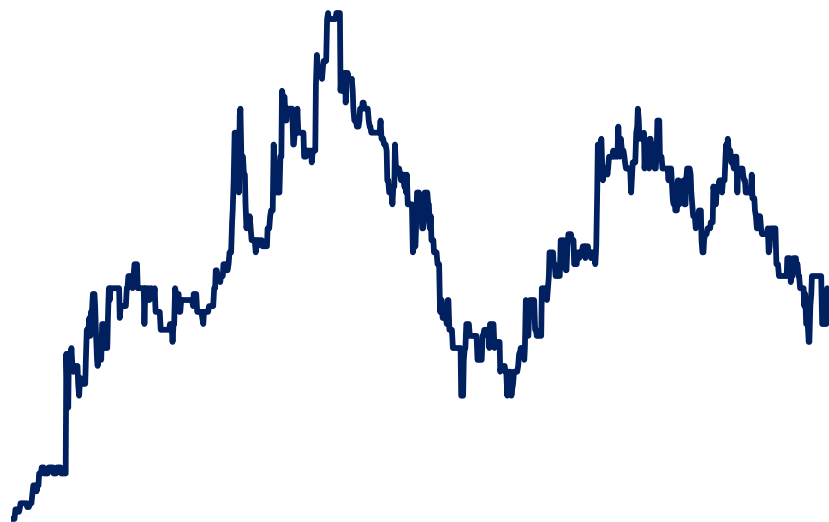
David Gay <i>President & CEO</i>	<ul style="list-style-type: none"> ■ Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain ■ Business Unit President at Pittston Coal Group (20 years experience) ■ Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers
Nathan Ainsworth <i>VP, Business Development</i>	<ul style="list-style-type: none"> ■ 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
Scott Cole <i>CFO</i>	<ul style="list-style-type: none"> ■ Financial Executive with over 25 years of experience in corporate finance and treasury ■ Significant management experience within the US energy sector ■ Previous Vice President and Treasurer of Alpha Natural Resources
Matt Haaga <i>COO</i>	<ul style="list-style-type: none"> ■ 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 <i>General Manager</i>	<ul style="list-style-type: none"> ■ 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 <i>VP of Coal Sales and Marketing</i>	<ul style="list-style-type: none"> ■ 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
Ben Hadary <i>VP & General Counsel</i>	<ul style="list-style-type: none"> ■ Legal and Strategy executive with over 15 years of experience ■ Former Senior Vice President – Legal Affairs and Vice President – Strategy and Business Development, Alpha Natural Resources ■ Graduate of Stanford Law School and Stanford Business School

....high quality Board with coal mining experience covering the entire coal development cycle, including exploration, development, financing and production

Ian Middlemas <i>Chairman</i>	<ul style="list-style-type: none"> ▪ Highly respected resource executive with extensive finance, commercial and capital markets experience ▪ Current Chairman of Prairie Mining Ltd, Equatorial Resources Limited , Berkeley Energy Limited & former Chairman of Mantra Resources Limited & Papillon Resources Ltd
David Gay <i>Managing Director</i>	<ul style="list-style-type: none"> ▪ 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
Todd Hannigan <i>Director</i>	<ul style="list-style-type: none"> ▪ 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
Tom Todd <i>Alternate Director</i>	<ul style="list-style-type: none"> ▪ 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.
Taso Arima <i>Executive Director</i>	<ul style="list-style-type: none"> ▪ 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
Jonathan Hjelte <i>Director</i>	<ul style="list-style-type: none"> ▪ 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. Until recently, Mr Hjelte was with Millennium Management LLC, a global investment management firm with approximately US\$30 billion in assets under management. ▪ 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.
David Griffiths <i>Director</i>	<ul style="list-style-type: none"> ▪ 35 years resource industry experience with senior roles at WMC and Worsley Alumina, prior to establishing communications consultancy in Perth ▪ Co-founder and Non-Executive Director of Silver Lake Resources Limited

The year ahead for Paringa.....

History



Paringa Share Price (Jul 13 to Feb 16)

Future



✓ Results of No.2 Mine Scoping Study	Completed
✓ Commencement of a Bankable Feasibility Study at No.2 Mine	Q1 16
✓ Secure Surface Rights for No.2 Mine Site	Q2 16
✓ US\$220 million LG&E Contract "Rollover" for No.2 Mine	Q2 16
✓ No.2 Mine Barge Load-Out Facility Design & Capex Estimate	Q2 16
✓ No.2 Mine CHPP Design & Capex Estimate	Q2 16
✓ No.2 Mine Development Design & Capex Estimate	Q2 16
✓ No.2 Mine Infrastructure Update & Capex Estimate	Q2 16
✓ Commencement of Development Drilling Program at No.2	Q2 16
✓ Commencement of No.2 Mine Permitting Process	Q2 16
✓ Confirmation of Final Capex Figure for No.2 Mine	Q2 16
✓ Results of Development Drilling Program	Q2 16
✓ Update JORC Resource Statement	Q3 16
✓ Results of Bankable Feasibility Study at No.2 Mine	Q3 16
✓ Finance Buck Creek No.2 Mine	Q3 16

2016 Business Targets

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Forward Looking Statements

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 presentation that relates to the Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa’s ASX announcements dated 2 December 2015 entitled “BFS Confirms Buck Creek No.1 to be a Low Capex, High Margin Coal Mine” which is 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.



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