

CONSTRUCTION COMMENCES AT POPLAR GROVE MINE

HIGHLIGHTS:

- *Paringa has now begun construction of the Poplar Grove Mine, with first coal production expected 12 months from start of construction;*
- *Construction begins less than 18 months after the decision to build the low capex and high return 2.8 Mtpa Poplar Grove Mine first, followed by the 3.8 Mtpa Cypress Mine;*
- *All major contracts for the development of the Poplar Grove Mine have been awarded on a fixed price basis reducing pricing and timing risk;*
- *Paringa to continue discussions with utilities located within the Ohio River and South-East markets, potentially leading to additional sales contracts; and*
- *Paringa to continue discussions with advisers for a potential listing on a major US stock exchange.*



Construction Underway at the Poplar Grove Mine

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has now begun excavation and site development works at the Poplar Grove mine (“**Poplar Grove Mine**”) site area and remains on track for first coal production 12 months from the start of construction. The 2.8 million tons per annum (“**Mtpa**”) Poplar Grove Mine is located immediately south of the fully permitted 3.8 Mtpa Cypress mine (“**Cypress Mine**”) which both will have low cost barge access to the Green River and utilities located within the Ohio River Market.

Paringa’s Managing Director and CEO, Mr. Grant Quasha, said: “*The Paringa team has done an impressive job in completing all technical studies, permitting, and financing to begin construction of the Poplar Grove mine less than 18 months from the release of the Scoping Study results and announcing the decision to build the lower capex Poplar Grove mine first, followed by the permitted Cypress Mine.*”

“We are very excited to have now begun construction of the low capex and high return Poplar Grove Mine which has low construction and execution risk given the mine’s location in the heartland of the western Kentucky coal industry and the CHPP has been designed to standard industry configuration for the Western Kentucky No.9 and No.11 seams. The local presence and experience of our contractors and service providers offers additional and readily accessible expertise and we continue to make excellent additions to our construction and operations team.”

“I believe this is going to be a very exciting 12-months ahead as we progress through the construction phase and towards first coal production, advance negotiations with utilities located within the Ohio River and South-East markets potentially leading to additional sales contracts, continue discussions with advisers for a potential listing on major US stock exchange and begin to roll-out our public relations and digital marketing campaign throughout North America.”

For further information, contact:

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Buck Creek Development Timetable

Buck Creek	2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4																
<u>Poplar Grove</u>																				
Technical Studies	✓																			
Permitting	✓																			
Financing		✓																		
Construction			✓																	
Production (WK No.9)																				
WK No.11 Incline																				
Production (WK No.11)																				
<u>Cypress</u>																				
Construction																				
Commercial Production																				

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

The start of construction at Poplar Grove follows the recent announcement that following a competitive final bidding process, Paringa signed a fixed price contract for the design, procurement, construction and commissioning of the Poplar Grove Mine’s coal handling and preparation plant (“**CHPP**”) and barge load-out facility on the Green River (“**EPC Contract**”). The CHPP and barge load-out facility remains on track to begin construction towards the end of the December 2017 quarter. All major contracts for the development of the Poplar Grove Mine have now been awarded under fixed price contracts significantly minimizing pricing and timing risk.

Paringa looks forward to providing regular updates of the construction of the Poplar Grove Mine with photos uploaded regularly to the Paringa website: www.paringaresources.com

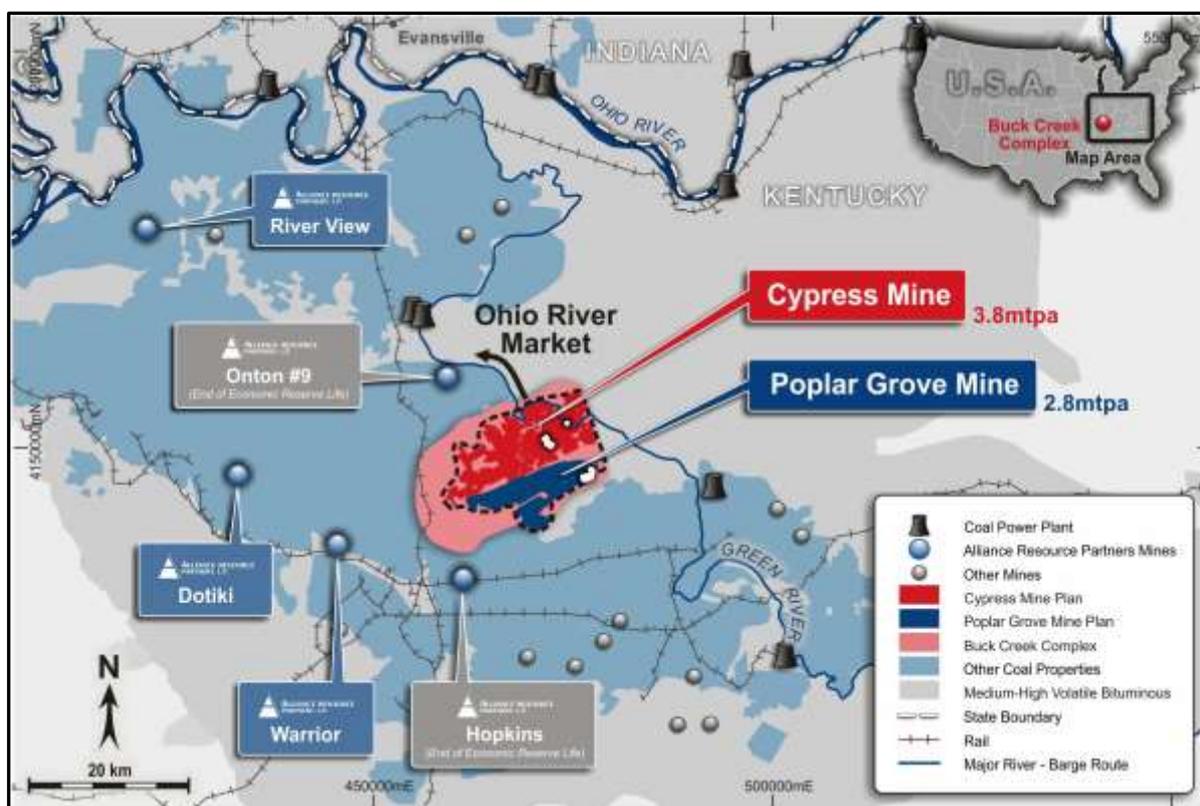
THE BUCK CREEK COMPLEX

Buck Creek coal mining complex (“**Buck Creek Complex**”) is located in the Western Kentucky region of the Illinois Basin which is one of the most prolific coal producing regions in the United States.

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 expected 12 months from start of construction; and
2. **Cypress Mine:** Permitted 3.8 Mtpa Cypress Mine with construction set to begin by early 2019.

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.