

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PARINGA RESOURCES LIMITED

ABN

44 155 933 010

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>In accordance with the ASX Announcement lodged with the ASX on 17 May 2018:</p> <ul style="list-style-type: none">• Approximately 105,641,899 Shares may be issued pursuant to the pro rata accelerated non-renounceable Entitlement Offer <p>The exact number of Shares is still to be finalised and subject to reconciliation of shareholders' holdings and rounding.</p> |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Fully paid ordinary shares are issued on the same basis as all other existing fully paid ordinary shares.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the fully paid ordinary shares will rank equally in all respects with the Company's existing quoted fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.22 per Share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds from the Entitlement Offer will be used to allow the Company to complete the construction of the Poplar Grove Mine, including an optimised coal seam access, upfront equipment lease payments, satisfy the equity condition precedent to drawdown of the Macquarie Bank Limited debt financing facility and for general working capital purposes.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>

6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	-
6d	Number of +securities issued with security holder approval under rule 7.1A	-
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	-
6f	Number of +securities issued under an exception in rule 7.2	-
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 - 37,094,410 Rule 7.1A - N/A
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The issue date for the institutional component of the Entitlement Offer is 28 May 2018. The issue date for the retail component of the Entitlement Offer is scheduled for 15 June 2018.

+ See chapter 19 for defined terms.

	Number	+Class	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	422,567,598 (also includes the 105,641,899 fully paid ordinary shares to be issued under the Entitlement Offer)	Fully paid ordinary shares

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	1,500,000 7,494,000 1,000,000 500,000 4,444,444 16,410,000	Placement options exercisable at \$0.45 on or before 30 June 2018 Placement options exercisable at \$0.50 on or before 31 July 2018 Employee options exercisable at \$0.45 on or before 31 December 2018 Employee options exercisable at \$0.50 on or before 31 December 2018 Lender options exercisable at \$0.66 on or before 5 April 2021 Employee performance rights which are subject to various performance conditions to be satisfied prior to the relevant expiry dates between 31 December 2018 and 31 December 2020

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new Share for every 3 existing ordinary shares in the Company held at 5pm (WST) on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	5.00pm (WST) on 21 May 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractions arising in the calculation of entitlements will be rounded up to the nearest whole number of new Shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	The institutional component of the Entitlement Offer is scheduled to close prior to market open on 21 May 2018. The retail component of the Entitlement Offer is scheduled to close at 5.00pm WST on 7 June 2018.
20	Names of any underwriters	Argonaut Capital Limited
21	Amount of any underwriting fee or commission	The Company has agreed to pay Argonaut Capital Limited an underwriting fee of 6% on the gross proceeds

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	Argonaut Capital Limited
23	Fee or commission payable to the broker to the issue	Not applicable - see underwriting fee
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	24 May 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	<p>The issue date for the institutional component of the Entitlement Offer is 28 May 2018.</p> <p>The issue date for the retail component of the Entitlement Offer is scheduled for 15 June 2018.</p>

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

Not applicable

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	Not applicable	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

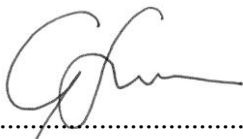
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Director/Company secretary)

Date: 17 May 2018

Print name:

Gregory Swan
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	258,599,157
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	57,326,542 ordinary shares (6 June 2017) 500,000 ordinary shares (6 June 2017) 500,000 ordinary shares (1 September 2017)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	316,925,699

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	47,538,854
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>4,444,444 unlisted options (TBA)</p> <p>6,000,000 unlisted options (TBA)</p>
“C”	10,444,444
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	47,538,854
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	10,444,444
<p>Total [“A” x 0.15] – “C”</p>	<p>37,094,410</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2 - Not applicable

+ See chapter 19 for defined terms.