

ASX Announcement

**PARINGA GRANTED MINE PERMIT
FOR THE BUCK CREEK PROJECT****HIGHLIGHTS:**

- ***Surface Mine Control and Reclamation Act (“SMCRA”) mine permit has been granted to Paringa for the construction of surface mine facilities at the Buck Creek Project***
- ***SMCRA is the primary federal law that regulates the environmental effects of coal mining in the US, and the SMCRA mine permit is valid for the life of the mine***
- ***Receipt of the SMCRA permit, together with the previously granted US Army Corps of Engineers (“USACE”) Section 404 permit, completes the long lead-time permits required to construct and operate the Buck Creek mine***
- ***Culmination of over 3 years of permitting which was initiated by Buck Creek Project’s original owners in 2011 and continued by Paringa’s US based management team***
- ***The SMCRA permit provides flexibility for any future improvements identified as part of the Company’s ongoing technical studies in relation to mine size, production rates, mine life, and site layout***
- ***Development of the high margin, low capex Buck Creek Project will now rapidly progress after completion of remaining technical studies with the aim of commencing mine construction in 2015***

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to advise that the SMCRA mine permit for the Buck Creek coal project (“**Buck Creek Project**” or “**Project**”) has been successfully activated following its transfer from the Project’s original owners to Paringa.

The Company has now received all of the key long lead-time mine permits required to construct and operate the high margin, low capex Buck Creek Project. The Company already has option agreements to acquire the surface rights to allow for construction of the mine site surface facilities. The Company believes that completion of these major permitting items significantly de-risks the Buck Creek Project.

Paringa’s Chief Executive Officer, Mr David Gay, said “*We are extremely pleased with the successful activation of the Buck Creek Project SMCRA mine permit by Paringa, which completes the long lead-time permitting process for the Project. Typically, a coal project in the US at this stage would move directly into construction, however we will complete our remaining technical studies to evaluate other production scenarios which could potentially add value to the Buck Creek Project. Following completion of these studies we will aim to start construction in 2015.*”

For further information contact:

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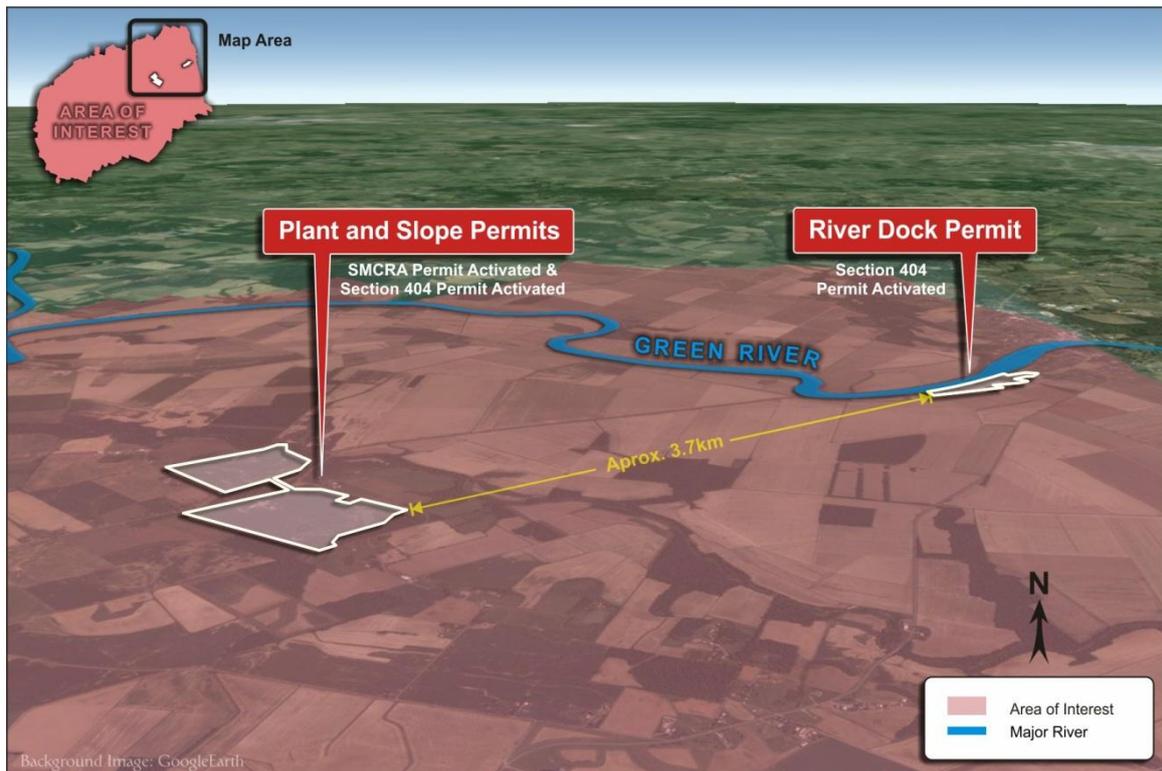


Figure 2: Satellite View of Key Buck Creek Project Mine Permits (SMCRA & Section 404)

Kentucky Coal Mine Permitting Overview

The permitting process for an underground coal mine in Kentucky requires the successful completion of major long lead-time mine permits consisting of the SMCRA and Section 404 Permits.

The original owners of the Buck Creek Project began the permitting process in 2011 to obtain the SMCRA and Section 404 Permits which was later completed by Paringa's US management. As the original SMCRA permit was granted in the name of the then owners of the Project, the permit needed to be transferred to Paringa. This has now been completed.

The permitted property consists of two individual areas controlled by Paringa. The larger of the two areas is the proposed location of the mine site, slope portal and coal preparation facilities ("**Plant and Slope Permits**"). The SMCRA and Section 404 Permits have now been activated for the Plant and Slope Permits.

The other area is the proposed site for a barge load-out facility ("**River Dock Permit**") on the Green River which provides direct low-cost barge access to the highly lucrative Ohio River Market. Only a Section 404 Permit was required for the River Dock Permit area, which has now been activated.

As the development of the Buck Creek Project progresses, the Company will submit the remaining minor routine permits (including air permit, MSHA permit and state mine licence) to be approved prior to the construction of the mine by late-2015 and production by mid-2017.

Surface Mine Control and Reclamation Act Overview

In the US, coal mining is currently regulated under the authority of SMCRA which was first introduced by Congress on 3 August 1977. In most coal producing states, a designated state agency has primacy for enforcement of SMCRA through state promulgated rules and regulations. The state agency responsible for managing the SMCRA Permanent Program in Kentucky is the Kentucky Department of Natural Resources (“**KDNR**”) primarily through three divisions:

- Division of Mine Permits – which evaluates coal mining and reclamation plans and ensures that these meet the minimum performance standards for environmental and public protection and reclamation as required by the federal SMCRA;
- Division of Mine Reclamation and Enforcement – which is responsible for inspecting all surface and underground coal mining permits in the state to assure compliance with SMCRA; and
- Division of Abandoned Mine Lands – which works throughout the state’s coal fields to protect the public from health and safety problems caused by mining that occurred prior to 1983.

A prospective permit must provide a significant amount of data, narratives, maps, and drawings to the KDNR to address wide-ranging questions covering all aspects of the operation. All submitted information is used not only to describe existing conditions, but also to portray how the proposed mining and reclamation operations will be accomplished in order to comply with SMCRA.

Once submitted, evaluated and approved by the Division of Mine Permits the SMCRA Permit represents the key environmental approval required to commence construction and operation of a coal mining operation. The SMCRA Permit for the Buck Creek Project was originally granted to the original owners of the Buck Creek Project and later transferred to a 100% US-based subsidiary of Paringa in April 2014.

US Army Corp of Engineers Section 404 Permit

The USACE manages a permitting program known as Section 404 (from the federal Clean Water Act). The Section 404 Permit cover impacts on streams and wetlands, such as dredging and filling activities. In regard to mining operations, the activities most likely to require an USACE permit are construction of excess overburden disposal fills, refuse disposal facilities and/or stream crossings.

Paringa completed the Section 404 Permit process for both the Plant and Slope Permits and River Dock Permit on 26 September 2013.

Division of Water, 401 & 402 Permits

Kentucky coal mines are required to gain permits from the Kentucky Pollutant Discharge Elimination System (“**KPDES**”). Typically these permits have followed on from both the SMCRA and Section 404 permitting regime, although in recent years these have become slightly more onerous.

The Clean Water Act permit requirements for Kentucky include a Section 402 National Pollutant Discharge Elimination System (“**NPDES**”) permit which authorizes and regulates the point source discharge of pollutants to waters of the United States. All discharges to waters of the Commonwealth require a permit through the KPDES.

Paringa has completed requirements of the Section 401 permit process which is currently being transferred to a 100% US-based subsidiary of Paringa. Section 402 permits are typically granted within 6 to 12 months following the issue of the Section 404 permit.

Division of Air Quality, Air Permit

Coal mine operations that include various processes such as sizing or handling of coal after mining will require a Kentucky Division of Air Quality Permit. Typically, these will be submitted after finalising the design of the Buck Creek Project preparation plant.

Mine Safety and Health Administration (“MSHA”) Permit

MSHA plans, permits and approvals for coal production include a detailed Methane, Ventilation and Dust Control Plan, a detailed roof control plan governing how the roof will be supported during mining operations, a Comprehensive Safety Training Program, respirable dust sampling plans, and other health and safety related plans and programs. In addition, the MSHA district manager may require additional plans for approval. The MSHA permit is typically submitted 6 months prior to production commencing.

Office of Mine Safety and Licensing (“OMSL”), State Mine License

The OMSL permits and plan approvals cover much of the same material as MSHA and there is a great deal of overlap, particularly in the areas of roof control and ventilation. Prior to beginning coal production, the required OMSL plans and approvals will include an initial roof control plan, a ventilation plan, a blasting plan, a Comprehensive Mine Safety Program as well as miscellaneous plans, permits and approvals for other activities. All of these plans and approvals are typically obtained relatively quickly and are required in order to obtain the Underground Mine License.

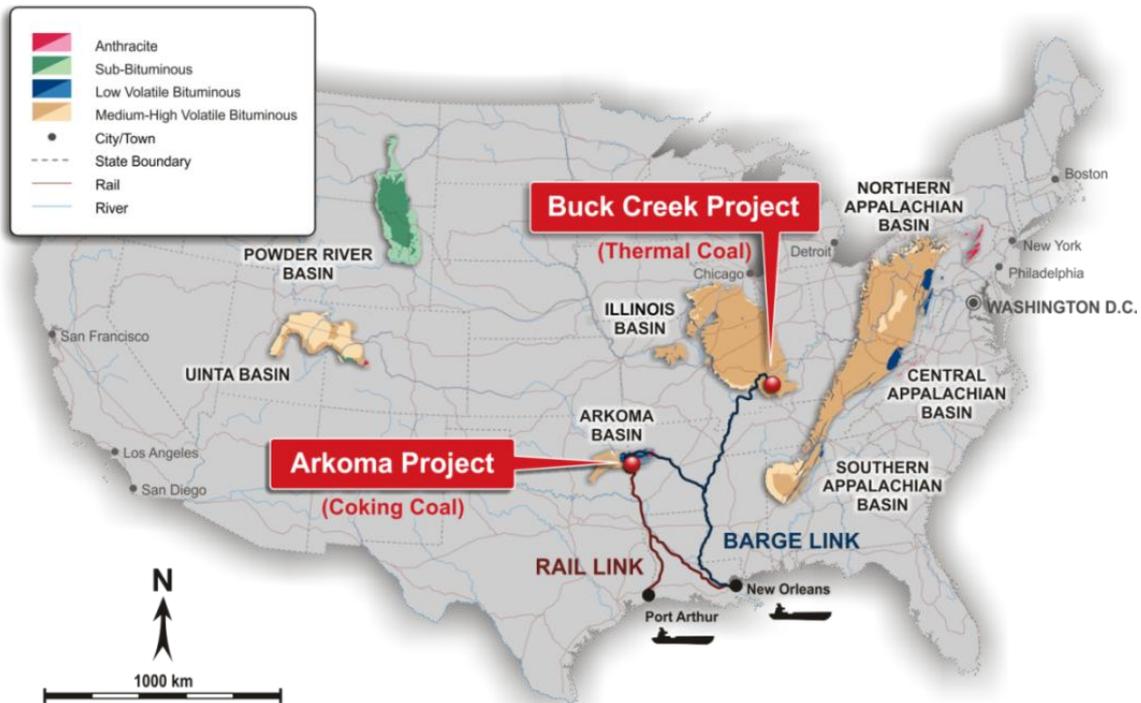
ABOUT THE BUCK CREEK PROJECT

The Buck Creek Project is located in the Western Kentucky region of the Illinois Coal Basin which is one of the most prolific coal producing regions in the USA. Paranga controls over 26,000 gross acres (~10,500 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha).

The Buck Creek Project has a JORC Coal Resource Estimate of 154 million tons (~140 million tonnes) of high quality thermal coal with over 88% in the Measured & Indicated categories. The Buck Creek Project is one of the few remaining contiguous high quality thermal coal projects within the WK No.9 Seam that is not controlled by one of the major USA coal companies and offers one of the highest quality, highest heating value products in the Illinois Coal Basin.

The Buck Creek Project is located adjacent to the Green River which provides year round linkage to the Ohio and Mississippi rivers systems which feed domestic coal-fired power plants and coastal export coal terminals in the Gulf of Mexico.

| Buck Creek Project – Coal Resource Estimate (WK No.9 Seam) | | | | |
|--|----------------|-----------------------------------|---------------|------------|
| Measured (Mt) | Indicated (Mt) | Total Measured and Indicated (Mt) | Inferred (Mt) | Total (Mt) |
| 32.1 | 104.8 | 136.9 | 17.5 | 154.4 |



Competent Persons Statement

The information in this announcement that relates to the Exploration Results, Coal Resources, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's ASX announcements dated 24 March 2014 entitled 'Scoping Study Confirms Strong Fundamentals of the Buck Creek Project' and 4 November 2013 entitled 'Maiden Coal Resource of 154 Million Tons Defined in Illinois Coal Basin' 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 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 MM&A. 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 Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on information compiled or reviewed by Messrs. Justin S. Douthat, Gerard J. Enigk and George Oberlick, all of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration (SME). Messrs. Douthat, Enigk and Oberlick are employed by Cardno MM&A. Messrs. Douthat, Enigk and Oberlick have sufficient experience that is relevant to the type of mining, coal preparation and cost estimation 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, 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.