

## ASX Announcement

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# PLACEMENT TO RAISE A\$5 MILLION

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has successfully completed a bookbuild for a placement of 15 million shares at A\$0.34 each to raise A\$5.1 million (“**Placement**”). The Placement was underpinned by US institutional investors and heavily oversubscribed for by Australian and New Zealand institutional and sophisticated investors.

The Placement was cornerstoned by Baobab Asset Management, LLC (“**Baobab**”), a resource focused institutional investor based in Connecticut, US. Baobab has extensive experience in the small resource sector and will provide strong support to Paringa going forward.

In addition, Messrs Todd Hannigan (Director) and Thomas Todd (Alternate Director) will participate in the Placement by subscribing for 750,000 shares each, subject to the necessary approvals.

The proceeds from the Placement will be used to strengthen the balance sheet as the Company commences formal debt financing discussions to enable construction of the proposed Buck Creek No.1 Mine and will provide sufficient funding for Company’s planned pre-development activities for the Buck Creek No.1 Mine.

Commenting on the Placement, Paringa’s President and CEO, said *“We have a very active year ahead, and securing these high quality US institutional investors is a very positive step for the Company, which underlines the Buck Creek No.1 Mine’s scale and potential to become one of the next strategic sources of premium coal in the US. It’s also pleasing to see my fellow Directors participating in the Placement which further reinforces the quality of the Buck Creek No.1 Mine.”*

The issue price of A\$0.34 represents a 6.3% discount to the 30-day VWAP. In addition, the Company will issue 7.5 million free attaching options on a one for two basis (each exercisable at A\$0.50 and expiring on 31 July 2018).

As a result of the proposed participation by Directors, the Company will complete the Placement in two tranches as follows:

- (a) 13,500,000 shares and 6,750,000 attaching options will be to be issued under Listing Rule 7.1 early next week to raise gross proceeds of A\$4,590,000; and
- (b) 1,500,000 shares and 750,000 attaching options will be issued to Directors following shareholder approval to raise gross proceeds of A\$510,000. A notice of meeting will be sent to shareholders shortly to approve the participation by Messrs Hannigan and Todd.

For further information contact:

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**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.*